IMPLEMENTATION AND USE OF FUNDS APPROPRIATED FOR FISCAL YEARS 1989 AND 1990, THE INTENDED USE OF FISCAL YEAR 1991 FUNDS, AND ON A NUMBER OF POLICY AND MANAGEMENT ISSUES

(101-75)

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

JULY 19, 1990

(ALSO THE RECORD OF A BRIEFING IN INDIANA, PA. ON FEBRUARY 23, 1990, ON THE ECONOMIC DISTRESS IN WESTERN PENNSYLVANIA)

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IMPLEMENTATION AND USE OF FUNDS APPROPRIATED FOR FISCAL YEARS 1989 AND 1990, THE INTENDED USE OF FISCAL YEAR 1991 FUNDS, AND ON A NUMBER OF POLICY AND MANAGEMENT ISSUES

THURSDAY, JULY 19, 1990

House of Representatives,
Subcommittee on Economic Development,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m. in room 2253, Rayburn House Office Building, Hon. Gus Savage (chairman of the subcommittee) presiding.

Mr. Savage. The Subcommittee on Economic Development will please come to order.

Our meeting today is a continuation of this subcommittee's oversight responsibility to review management programs mandated by the Public Works and Economic Development Act and administered by the Economic Development Administration.

We will hear testimony from Ms. L. Joyce Hampers, recently appointed as Assistant Secretary for Economic Development, who will report on the agency's use of funds appropriated for fiscal years 1989 and 1990, as well as her present thinking on how the fiscal year 1991 funds, when appropriated, will be spent.

I had the pleasure a few weeks ago of Secretary Hampers visiting my office to introduce herself; and now on behalf of the subcommittee, I am again delighted to welcome her to her new position as administrator of EDA and to thank her for appearing at today's hearing.

During its 25 year history, the EDA has sometimes been managed in such a way that considerable tension was created within that agency and between it and Congress. At other times, the agency has been well run with morale of its employees high, and its working relationship with Congress productive and cooperative.

Although appointed by an Administration that would like to do away with EDA, my strong impression is that Ms. Hampers will manage the agency and administer the law with much skill and professionalism and will work with this committee and the Congress which has consistently exhibited strong support for preserving EDA programs.

She is, I know, well aware that the House in five consecutive Congresses has passed legislation overwhelmingly to continue EDA programs. The most current was in April of this year when H.R. 2015, the bill to revise and extend the Public Works and Economic Development Act, passed by the largest margin ever, 340 ayes to 82 noes.

Moreover, it appears likely at this time that the funds again will be appropriated to keep EDA alive in fiscal year 1991. Under Ms. Hampers' leadership, I look forward to an open and informative working relationship between the agency and the Congress based on cooperation and a mutual interest in getting the greatest benefit from the programs and the taxpayers' dollars.

Today we are very interested in hearing about the agency's activities over the past two fiscal years and the future plan to implement these programs. However, in addition to a general discussion on Ms. Hampers' views on administering EDA programs and her thoughts on possible management and policy changes, we have asked her to address certain issues which have been of special interest to the subcommittee, such as the agency's application procedures and how much time is needed for project approval, sign-off procedures and who makes the decisions on new or revised projects.

We hope, also, to get a better understanding of the status of economic development representatives handling of employee stock option plan project requests, funding of economic development districts, use of loan guarantee authority, the agency guidelines in connection with management costs for those administering the Title IX funds, urban/rural ratios, and priorities for especially depressed industries and peculiarly disadvantaged population segments.

These issues have been brought to our attention over recent months by local officials who are experiencing difficulties at the regional level trying to work within EDA policies and guidelines.

We have invited some of those officials to come to our oversight hearing to discuss their concerns and explain the problems involved, and we will hear from them before talking with Ms. Hampers.

Incidentally, without objection, a clear, concise and creative statement from Mayor David Johnson of Harvey, Illinois is included in the record, although he is unable to attend.

Now, for any opening remarks, I turn to the distinguished Ranking Member of this subcommittee, the Honorable Ron Packard of California.

Mr. **PACKARD**. Thank you, Mr. Chairman.

I wish to join with you in welcoming Secretary Hampers, who has newly been confirmed as our Assistant Secretary of Commerce in charge of our Economic Development Program.

I certainly want to congratulate her. I look forward to an effective working relationship with Secretary Hampers. Her job will not be easy. In fact, it will be difficult, as Economic Development Administration's funding has been zeroed out by the current and previous Administrations.

It's been riddled with several problems and has suffered many criticisms. There have been inconsistencies in the manner in which the grant program has been administered. Supporters and detractors alike have expressed serious concerns about the purpose, the usefulness, and the effectiveness of the Economic Development Administration.

I recognize that the Secretary has been charged with making an Economic Development Administration as effective as possible. To that end, I wish to offer my assistance that I may be able to provide, any assistance to the Secretary, I certainly will do so to ensure the program problems have been rectified or will be rectified.

I am interested in hearing from the Secretary what the Bush Administration's goals are with regard to economic development and in light of the Administration's position what her personal goals for administering the program are.

This subcommittee has sought many times to rectify some of the major problems of the Economic Development Administration through authorization bills that only gather dust in other bodies.

The Economic Development Administration has remained as a functioning entity only through the appropriations process, as mentioned by the Chairman, as no authorization has been signed into law for several years.

As a result, much needed reform has not been enacted. I am interested in any recommendations that Secretary Hampers has as to reforms that need to be made, whether they require legislation or not, or other ways in trying to resolve our problems.

I also welcome the other witnesses before the committee today. These witnesses will testify as to the problems with the Administration and how they may be resolved.

Mr. Chairman, I admit that I have never been accused of being a big spender of Congress, and do have some reservations in regard to the Economic Development Administration, its mission, as well as its practices of operation.

I will, however, pledge to you, Mr. Chairman, and to the Secretary that I will work diligently with them and with you to produce an effective, competent Economic Development Administration as long as this Congress appropriates taxpayers' dollars for the Economic Development Administration to survive.

I wish to thank the Chairman, also, for his leadership and cooperation in scheduling this hearing, and the witnesses for sharing their views with us on the Economic Development Administration. Hopefully, together we can help to produce a program that will meet the needs and serve the purposes of all the parties involved.

Thank you, Mr. Chairman.

Mr. SAVAGE. Thank you, and we are honored to have with us the Chairman of the Subcommittee on Water Resources, the Honorable Henry Nowak of New York.

Do you have opening remarks?

Mr. NOWAK. No, I will wait for the witnesses' statements.

Thank you, Mr. Chairman.

Mr. SAVAGE. Thank you.

Also we have the Ranking Member of the Full Committee on Public Works and Transportation, John Paul Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman.

Mr. Chairman, I came here mainly to help you welcome our new Assistant Secretary, who I know has a great deal of managerial experience and will bring a great deal to the Economic Development Administration.

You know, of all those old poverty programs started under President Lyndon Johnson, I always thought that the most worthwhile one was EDA. A lot of them have grown into burgeoning deficit problems for us now, but this program, I think, has been constructive.

It obviously has created a lot of jobs—through a little bit of seed, but without getting into the merits of EDA, I wish that we would get a good authorization bill with changes in the law that have been needed to be made for all these many years that you referred to, and not just depend on appropriation funds to let this program operate.

So I wish you well. As an old Ranking Member of this subcommittee many, many years ago when it was much more active and we were getting authorization bills in those days, why, I have a certain bias, but I am here certainly to welcome Ms. Hampers as one of the key witnesses this morning.

I have two other subcommittees to go to, but I wanted to be here to welcome her.

Thank you, Mr. Chairman.

[The statement of Hon. John Paul Hammerschmidt follows:]

STATEMENT OF
THE HONORABLE JOHN PAUL HAMMERSCHMIDT
BEFORE THE SUBCOMMITTEE
ON ECONOMIC DEVELOPMENT
OVERSIGHT HEARING ON THE
ECONOMIC DEVELOPMENT ADMINISTRATION

JULY 19, 1990 10:00 A.M.
2253 RAYBURN OFFICE BUILDING

THANK YOU MR. CHAIRMAN.

I COMMEND YOU FOR CALLING THIS TIMELY HEARING TO REVIEW THE MANAGEMENT OF PROGRAMS ADMINISTERED BY THE ECONOMIC DEVELOPMENT ADMINISTRATION AND JOIN YOU IN WELCOMING THE WITNESSES APPEARING BEFORE THE SUBCOMMITTEE TODAY.

I TAKE PARTICULAR PLEASURE IN WELCOMING THE NEW HEAD OF EDA, ASSISTANT SECRETARY L. JOYCE HAMPERS, WHO BRINGS EXTENSIVE MANAGERIAL EXPERIENCE TO THIS POSITION. I AM CERTAIN THAT SECRETARY HAMPERS' SKILLS WILL BE MOST VALUABLE IN ADDRESSING PROGRAM CONCERNS AND WORKING TO IMPROVE THIS SMALL BUT ESSENTIAL PROGRAM. I LOOK FORWARD TO A CONGENIAL AND PRODUCTIVE RELATIONSHIP WITH SECRETARY HAMPERS OVER THE COMING MONTHS.

AS WE ARE ALL AWARE, MR. CHAIRMAN, FOR YEARS THE EDA HAS BEEN THE SUBJECT OF CRITICISM, MUCH OF IT VALID. WE IN THE HOUSE HAVE ATTEMPTED TO ADDRESS THOSE CRITICISMS THROUGH THE LEGISLATIVE PROCESS BUT HAVE BEEN THWARTED IN OUR EFFORT BY INACTION IN THE SENATE. HOWEVER, THERE IS MUCH THAT CAN STILL BE DONE TO IMPROVE EDA PROGRAMS. THIS HEARING, AIMED AT IDENTIFYING SOME SUCCESSES AND REMAINING WEAKNESSES IN THOSE PROGRAMS, IS A STEP IN THAT DIRECTION.

TODAY, WE WILL HEAR TESTIMONY ATTESTING TO HOW EDA HAS BENEFITED SO MANY ECONOMICALLY DISTRESSED COMMUNITIES AND ABOUT HOW MUCH WORK REMAINS TO BE COMPLETED. WE WILL ALSO HEAR FROM THOSE IN THE ECONOMIC DEVELOPMENT COMMUNITY ABOUT THEIR PROBLEMS WITH, AND CONCERNS ABOUT, THE PROGRAM. AND, WE WILL LEARN FROM SECRETARY HAMPERS ABOUT EFFORTS TO IMPROVE THE PROGRAM AND HER PLANS FOR THE AGENCY'S FUTURE.

HOPEFULLY, WHAT WE LEARN TODAY WILL AID US IN WORKING COOPERATIVELY TO BUILD A MORE EFFICIENT AND PRODUCTIVE EDA. I LOOK FORWARD TO WORKING TOWARDS THAT GOAL.

THANK YOU.

Mr. **Savage**. Thank you.

And a diligent and able Member of the subcommittee, Congressman Lewis Payne of Virginia.

Mr. **Payne**. Thank you very much, Mr. Chairman, and thank you for holding this hearing today to review the status of the economic development programs.

Many areas of our country, such as the area that I represent, have not benefited from the economic growth and expansion that has been enjoyed in the country in recent years, but through private/public partnerships such as those that are available through the EDA, a number of regions in our district have been able to work to greatly improve their economic conditions.

So I heartily support EDA and am very interested in how we might explore how these programs are administered and how they might even be improved.

Secretary Hampers, congratulations on your recent appointment as the Assistant Secretary of Commerce for Economic Development, and I look forward to hearing your testimony and to working with you in the coming years.

Thank you.

Mr. **Savage**. Thank you. And now for our first witnesses, a panel of two, Ms. Deighan and the Honorable Joe Spruill, are you here?

Mr. **Spruill**. Yes, sir.

Mr. **Savage**. Why don't you come to the table there?

Ms. **Deighan**. Thank you.

Mr. **Savage**. Ms. Jean Deighan is Chair of the Eastern Maine Development Corporation of Bangor, Maine, and she is accompanied, I understand, by Michael W. Aube, its President.

If you'd like to take a seat here, and the Honorable Joe Spruill is County Commissioner for Bertie County and Immediate Past Chairman of the Mid-East Commission from Washington, North Carolina.

And I understand you are accompanied by Robert Paciocco——

Mr. **Spruill**. That is correct, yes, sir.

Mr. **Savage** [continuing]. Executive Director of the Commission. Very good. So won't you proceed in any order you wish.

TESTIMONY OF JEAN DEIGHAN, CHAIR, EASTERN MAINE DEVELOPMENT CORP., ACCOMPANIED BY MICHAEL W. AUBE, PRESIDENT; AND HON. JOE SPRUILL, COUNTY COMMISSIONER FOR BERTIE COUNTY AND IMMEDIATE PAST CHAIRMAN, MID-EAST COMMISSION, WASHINGTON, NC, ACCOMPANIED BY ROBERT PACIOCCO, EXECUTIVE DIRECTOR

Mr. **Spruill**. Chairman Savage, I believe I am supposed to go first. Other Members of the Subcommittee on Economic Development, I am Joe Spruill, a County Commissioner in Bertie County, North Carolina, and the Immediate Past Chairman of the Mid-East Commission, an Economic Development District in Washington, North Carolina.

And I am accompanied by Bob Paciocco, Executive Director of the Mid-East Commission.

I wish to thank you for your interest in the work of the Economic Development Administration, and for asking us to talk about its impact at the local level.

When compared to the enormous Federal budget, this is a small program, but it's vital for regions like ours.

I know the Members of this subcommittee recognize the validity of such a program, especially because of the tremendous effect it has had on job creation and retention in depressed, rural areas, and in light of the local, state and private sector funds it has leveraged to help solve our economic problems.

By way of background, let me describe our situation. Bertie County is populated by 21,000 citizens, the majority of whom are low income, poorly educated and Black.

Per capita income was $10,870 in 1988. While the rate is increasing for our county, it's not keeping pace with the state or national increases.

I am also representing the Mid-East Commission this morning. Our commission was organized in 1966 as an economic development district. It was created and is controlled by the local governing bodies within a five-county area that includes two cities and 38 towns.

The total population of our region is about 210,000. Since our beginning, we have also added other services for our citizens. We are a certified development corporation for Small Business Administration, a service delivery area for the Jobs Training Partnership Act, and Area Agency on Aging, and we administer grants dealing with the Community Development Block Grant Program, Emergency Medical Services, local, technical and planning assistance, senior employment program, two narcotics task forces, rural development and an automated geographic information system and mapping program.

We also administer a revolving loan fund and a microenterprise loan fund to assist small business operations.

Most of these are programs that our counties could not independently administer due to lack of staff or funds or both. Of our 40 municipalities, 29 do not have managers or administrators. And of these, 20 have only a part-time town clerk.

Therefore, we serve to reenforce their staff expertise and needs. Our region is among the poorest in North Carolina. Until recently, our "denim collar," agriculture based labor force was adequate. But today, we must have an educated and trained work force to compete in the world economy.

While our unemployment rate increased 1.7 percent this year to 5.9 percent, a greater concern is our underemployment situation. A growing percentage of the work force is paid minimum wage. This limited income is not adequate to support a family.

Also, a large number of our households have a single parent as head. This situation, coupled with minimum wages, adds to the financial burden we are dealing with in our economic development program.

We are also facing a fiscal crisis in many of our small towns. Growing Federal and state regulations, more demands for services for citizens, and a declining infrastructure, coupled with an unstable tax base due to factory and store closings, have caused some towns to give up their incorporated status.

Others are struggling to find innovative ways to keep their heads above water. County property taxes have been utilized to help meet financial needs. Since 1984, our tax in Bertie County has increased from 49 cents per hundred dollars of value to 96 cents.

This doubling of the tax rate is not unusual for rural counties and it's almost the only source of discretionary revenues available and constitutes the largest percent of their budgets.

In a recent article in the New York Times, which is attached to this statement, our Executive Director was quoted on this issue. He described how these local needs have led to an ever increasing workload for regional organizations as more localities realize the financial wisdom of utilizing regional strategies to solve local problems.

Having said all of the above, let me talk about the value of the EDA program in our area. In the past 24 years, our small region invested more than $18.3 million for economic development projects alone. Of this amount, 46 percent, or $8.4 million, was leveraged from our local governments, state and Federal agencies and the private sector, with the remaining $9.9 million coming from EDA.

These projects have created more than 2,600 jobs. Please keep in mind that this took place in a five-county region whose total population just reached 200,000 since the 1980 census.

In our case, EDA public works funding has been responsible for 21 county and municipal water and/or sewer projects, five vocational training buildings for our community colleges, five industrial parks, the infrastructure required for several industries and the building of a tri-county terminal. Imagine the impact. Twenty-six hundred jobs created for less than $10-million, or about $11,000 per job.

In our five counties, these 2,600 citizens are now employed and are active taxpayers. While these figures may be small when compared to other agency grants, I am sure you can appreciate the tremendous impact they have had and are having on our economy.

Permit me to use a variation of a well used cliche when I say the Federal Government is getting a powerful "punch for the pennies" they give the EDD's.

My last comment will focus on concerns relevant to EDA Programs. Our major concern has to do with the funding of the planning grants. These grants are essential if we are to be able to continue working with the public and private sectors in creating jobs.

First, we are concerned about continued funding. In rural North Carolina and throughout rural America, we cannot understand the negative attitude toward this valuable program by the current and prior Administrations. To us, they appear to be shooting at rabbits, when there is plenty of big game available for the kill.

There may be no Federal program that has done so much for so many with so little funding. We believe that all tax dollars, whether they come from local, state or Federal Governments, should be spent very carefully.

In our region, we are not at all hesitant to account to the citizens or the Federal Government for these tax dollars. A second funding concern has to do with the decreasing amounts we receive for planning.

For the past 3 years, our economic development program received $53,000 annually to staff our operation. With this funding, we must pay a trained, qualified economic development specialist and a part-time secretary, plus provide their support package of fringe benefits, travel and indirect costs.

Even in rural areas, this is an impossible task. Therefore, to the EDA grant, we add our required match of $17,667, plus whatever funds may be required to assure a successful and effective program.

To add to an already difficult situation, this year, EDA cut our planning grant $3,000 without any opportunity for review or comment by those of us affected. However, I would be quick to note that we have been told this amount will be reinstated for which we are grateful to the Congress.

But even with the replacement of this $3,000, we have experienced a 33.6 percent decrease in funding since 1973, while our cost of living continues to increase, as does our local unemployment rate.

To us it appears that just when our war on economic survival is heating up, our ammunition supply is drying up. The answer we have received to our pleas for more funding is to look elsewhere, and we have.

In North Carolina, our General Assembly has recognized our plight and five years ago appropriated $55,000 annually to each regional organization such as ours. We have also learned to be entrepreneurial, and we actively work with public and private sector partnerships when we can.

Our local governing bodies have also taken up some of the financial slack. They each pay as much as 45 cents per capita to our organization, as well as paying their share in individual projects.

The bottom line, however, is simply an understanding of why, while our programs continue to be cut and we continue to be more and more a debtor nation, we are still more ready to help other countries with bills in foreign aid, and our own economy continues to slide down. It's very difficult to explain that to poor, unemployed folks who need help.

The final concern I would like to address relates to administrative matters within the EDA. These deal with such things as the processing time for grant applications and contracts, and the overall economic development plan, OEDP, process.

We deal with private sector executives who are accustomed to moving projects along quickly. Currently, the grant application process takes one full year to complete. Part of the problem is the decision-making process. We suggest a timetable to establish for handling preapplications and applications. It would be beneficial if the EDA regional office would review and respond to the application within 30 days.

Sufficient copies of each application are submitted so that each reviewing officer can handle those responsibilities simultaneously. The same timetable could be utilized at the national office, as well.

We also believe some decisions could be made at the regional EDA office level. Other Federal agencies set dollar limits or other parameters within which the regional office has sole authority to approve.

A similar policy would greatly expedite many of our applications and would be financially beneficial to the industries we are helping. With our most recent application, we figure a loss of $162,000 in salaries for each month's delay.

With regard to the OEDP, we believe the process needs to be reviewed and updated to respond to the challenges of the 1990s.

We will be the first to say the OEDP is or can be an important planning tool. We only question its effectiveness and would seek to improve it.

We are very confident that with the new Assistant Secretary on board and some discussions she has already had with our economic development organizations, we have a willing listener and a friend, and I thank her for that.

We are looking forward to working with her in improving EDA's operations. We appreciate their appointing our Executive Director to a special 24-person study group charged with the responsibility of examining current EDD effectiveness.

We believe this process will do much to reinstitute the practice of EDA and local EDD's working together to make the program more effective.

In rural areas, it's at our regional level that we pull together, the public and the private sectors, the rich and the poor, black and white, into an effective, economic development program that will not only create jobs but will also improve the quality of life for our people.

In closing, I again thank the Members of this subcommittee for allowing me to testify this morning. Bob and I will be happy to answer questions.

Thank you, sir.

[The prepared statement of Joe Spruill appears on page 62.]

Mr. SAVAGE. Thank you, Commissioner Spruill.

And now Ms. Deighan.

Ms. DEIGHAN. Thank you, Mr. Chairman and Members of the House Subcommittee on Economic Development, Secretary Hampers, I am Jean Deighan, Chair of the Eastern Maine Development Corporation, located in Bangor, Maine.

Mr. SAVAGE. Excuse me. Pardon me for interrupting you, Ms. Deighan.

Let me just remind everyone that your full testimony, your full written testimony will be put into the record in its entirety, and if you wish, you could simply summarize your statement.

Ms. DEIGHAN. Thank you.

Accompanying me today is Michael Aube, President and Chief Executive Officer of the Eastern Maine Development Corporation.

I would like to thank you for your interest in examining the role of the Economic Development Administration, EDA. Without your support and interest, there would be virtually no means of promoting economic growth in areas that are lagging behind, like Eastern Maine.

The Eastern Maine Development Corporation, known as EMDC, is a private, nonprofit, economic development organization designated in 1968 by the U.S. Department of Commerce as an Economic Development District.

The EMDC service area includes six of Maine's most eastern and rural counties, comprising one-third of the state's geographic area.

The Eastern Maine Development Corporation's development district is one of the poorest in the northeast, trailing Maine, and New England and the United States in per capita income based on figures published by the U.S. Department of Commerce.

Of New England's 67 counties, three of the EMDC's counties are in the bottom ten. All six are at the bottom, and of the three poorest counties, we have two in the northeast.

I am condensing as I go.

According to the Maine Department of Labor, unemployment within EMDC's six county area averages 8.5 percent. Unemployment ranges from a low of 6.7 percent to a high of 11.4 percent. Economic development districts like the Eastern Maine Development Corporation provide economic development planning, technical assistance and services otherwise unavailable in most rural areas.

In the EMDC area, local elected officials and private sector representatives depend upon our organization for professional assistance and like most multi-jurisdictional organizations, EMDC is multi-functional. We administer a wide and impressive range of Federal and state programs, which are detailed in my written testimony.

Some of EMDC's activities over the past few years illustrate the range of our services. These activities include, coordinating local, state and Federal entities and preparing for example, the financial package which resulted in a $24 million expansion of the West German company, Lemforder/ZF, to Brewer, and preparing the financial training package which resulted in a joint venture between the Penobscot Indian Nation and Shape, Inc., which resulted in the employment of over a hundred people on the Penobscot Indian Reservation.

1989 marked a record setting year for EMDC. A Small Business Development Center [SBDC] staff provided business assistance to more than 520 residents of eastern Maine, which set a new record.

The Maine Procurement Assistance Center [MPAC] staff conducted over 950 counseling sessions, a 50 percent increase over the previous year's total. EMDC prepared seven financial packages, all of which were funded, for a total investment of nearly $3 million with the creation or retention of more than 200 jobs for area residents. And EMDC helped eight communities access major grants from the state and Federal Government totaling close to $2.3 million.

In addition, in keeping with the U.S. Department of Commerce's number one goal, international trade, the EMDC organized and lead a successful trade mission to Japan. This international trade effort on behalf of private businesses in our area has already led to successful deals.

Rural American businesses do have trade opportunities to offer to the global market. Development districts throughout the Nation, like EMDC, can be the Department of Commerce's grassroots network to achieve this goal.

For more than 22 years, EMDC has exemplified the public/private partnership approach to economic and community development. EMDC is a member of the National Association of Development Organizations, NADO, and endorses the NADO 1990 policy statement. This statement underscores the needs of rural sectors, along with the need for partnership, and the policy statement is attached to my testimony.

The Economic Development Administration, EDA supplies general planning funds to EMDC which are extremely beneficial. Although the amount awarded to EMDC, $70,000, is small, it provides the seed money and professional staff needed to foster community and economic strategy planning.

Of particular importance to the EMDC region and relevant to today's hearing is the EDA funded Revolving Loan Fund grants. As of March 31, 1990, of the 27 EMDC revolving loan fund loans made, 11 have been fully repaid, nine are current, zero are delinquent, and two have defaulted and three have been written off.

Since its inception in 1980, $1,650,000 of EDA RLF funds have been loaned with less than 1 percent per year loss. We know that any financial institution would be envious of that record. EMDC's Revolving Loan Fund has been instrumental in retaining 268 jobs and creating 479 new jobs for a total impact of 747 jobs.

This has a significant impact on the economy of EMDC service area. EMDC's EDA RLF program has leveraged over $10 million in private money. The jobs per dollar ratio, one job per each $2,135, as well as a leveraging ratio of $1 in EDA funds per $6.1 is well above that which was originally projected in the plan submitted to the Economic Development Administration in 1980.

In addition, the success EMDC has achieved with the EDA RLF program has allowed our portfolio to grow to over $10 million, made up of UDAG, CDBG, and SBA 504 funds.

Obviously, the foundation and the strength of EMDC development efforts are the Economic Development Administration planning grant and the capitalization of the EDA RLF program. They are very important to us.

I would like to briefly highlight a few difficulties we are having with the RLF program. Specifically, some of the modifications of the Title IX regulations per directive 17.07 of July 10, 1989, are hindering our implementation of the program.

There are four areas of concern. The first is excess retention. EDA regulations define excess retention as more than 25 percent of the total capital of the RLF, that is the uncommitted funds, for more than six months, as documented in two consecutive semiannual reports. It is our understanding that the grantee may be required to submit to the EDA the share of the amount over 25 percent, which would be available in a letter of credit for a time period established by EDA.

In short, the funds may be permanently lost. Between September 30th of 1989 and March 31st, 1990, EMDC had five loans prepay and one loan term out. The unexpected prepayment of these five loans accounted for $163,205 additional dollars in funds available for new loans, driving the current balance available as a percentage of total RLF capital up to 38 percent on a temporary basis.

Does the excess retention policy allow for waiver provisions? Should an RLF be penalized for submitting funds to the EDA, thus losing program income for the fund?

We recommend that the EDA RLF funding be awarded to eligible entities, similar to the way FmHA, HUD, HHS and other Federal agencies give grants. Grants are given based upon current policies, and are financially and programmatically accountable, based upon the approved administration plan of the grantee.

The current EDA process requires continuous changes in procedures and amendments to the administration plan, causing confusion with program operators, borrowers and auditors. Obviously we appreciate the intent of the excess retention policy. However, it appears we have created more bureaucracy and less flexibility in local management of funds.

The second problem is the minimum interest rate. Current EDA regulations state that the minimum interest rate an RLF can charge is four percentage points below the current money center prime rate as quoted in the Wall Street Journal, but no less than 4 percent or the maximum interest rate allowed under state law, which in Maine is 18 percent, whichever is lower.

This guideline changes the basis for determining the minimum interest rate on loans from the prior guideline of the rate on U.S. Treasury issues of comparable maturity to the prime rate being charged by the money center banks as quoted in the Wall Street Journal.

Hypothetically, borrowers in the early 1980s, would have been submitted to very high rates under this regulation. Of course, in September 1981, the prime rate was 21 percent, resulting in an RLF rate of no less than 17 percent. Similarly, the Treasury rate was 15 percent, resulting in an RLF rate of no less than 11 percent.

It is not the intent to make excessive profit, but rather provide financial assistance to create new private sector jobs. In EMDC's program, the U.S. Treasury rate makes more sense.

The third problem is eligible borrowers and the type of loan. According to EDA 17.07 directive, a borrower is only eligible for RLF financing when credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation or accomplishment of the project activities to be financed. The RLF grantee is responsible for determining that a borrower meets this requirement, and for maintaining documentation in the loan file describing in each case the basis for the determination.

What does this mean? How many private lenders must be asked to provide financing before the borrower is eligible? Does eligibility for an RLF loan require that all other public financing such as SBA guarantee, FmHA, CDBG—this alphabet stuff gets me confused, et cetera, as well as the state programs be explored?

Does verification of eligibility specifically require bank turndown letters? If so, how many? In the case of EMDC, our lending institutions request use of the RLF programs because it is flexible. It is a partnership effort to assist a borrower in the financing of a project that would not otherwise occur.

We recommend that the flexibility and local decision-making based upon the approved RLF administration plan be the basis of eligibility. For example, if EMDC is currently considering an RLF loan to provide adequate financial support, as well as an incentive for the expansion of a northern New England company to a small community with an unemployment rate of 9 percent.

From the town's perspective, this project represents a rare opportunity to obtain a clean, high tech, globally oriented business. Due to its remote location in the interior of Maine, far from the interstate highway and major population centers, the region has seen relatively little new industrial activity in this past decade.

Our RLF participation with the assistance from the town and the State of Maine will result in the building of new facilities and the creation of 50 new jobs. We worry that the guidelines would not allow for use of the RLF as an incentive for business expansion.

And finally, the sources of funding to cover the administrative costs. This is very important to us. EDA regulations expect that no more than 50 percent of the program income be used for administrative purposes. Further, EDA does not expect to see a proportionate increase in administrative costs as the RLF capital and lending activity increases.

This guideline, coupled with EDA's other requirement that RLF programs are expected to provide other forms of technical and management assistance and services to aid business development and benefit unemployed workers in the area, causes significant financial hardship on the grantee.

In the case of EMDC, we provide full service counseling with other resources that require a local cash match. Historically, we have used RLF interest income to help underwrite these costs. If we can only use up to 50 percent of our interest income, EMDC will no longer be able to provide our small business counseling.

Specifically, the current EMDC RLF program provides approximately $70,000 per year in interest income. At a 50 percent level, only $35,000 per year would be available. This amount, coupled with another $6,000 per year in origination fees provides only $41,000 per year to pay for all the staff time, travel, including the required semiannual site visit per loan, legal and other out of pocket expenses.

In addition, as an RLF matures, the result of a default by a borrower has a dual effect of decreasing program income, while increasing expenses, such as legal fees, et cetera. It is important to remember that the intent of EDA is to provide assistance in distressed areas. Other funding sources to manage RLF programs are limited or nonexistent. EDA really needs to provide more flexibility.

In addition, RLF capitalization and recapitalization are extremely difficult when EDA requires a 25 percent local cash match. Please keep in mind, our six-county region is a distressed area. Local cash is limited. Match should not supersede need as a reason to create an RLF. We must work to eliminate obstacles to economic growth.

In summation, the Economic Development Administration has been a successful program at the local level because of the agency's flexibility in determining economic distress. Currently EDA provides funds to EMDC and another 288 Economic Development Districts in 47 states for strategic planning and technical assistance to local governments, business and nonprofit institutions.

Although the amount awarded to each district is very small, it provides the funding for professional staff needed to help foster community development and economic diversification. With the loss of revenue sharing and cuts in other programs, local government depends more than ever upon Economic Development District staff for planning and technical assistance.

Although the total amount of money invested in Eastern Maine Development by EDA is modest, it is enormously important. EDA provides money otherwise unavailable. The importance of continuing the Federal-local relationship in economic development is critical. We have to have a commitment that the Federal Government is concerned about improving the health of local economies.

All development is local. Local governments and their regional institutions play the central role in bringing together public and private resources needed to build local economies. In our opinion, the Economic Development Administration provides the Federal leadership which stimulates this local development.

Finally, we look forward to working with Assistant Secretary for Economic Development, Joyce Hampers. Working with the administrators of the EDA for the past several years has been difficult at best. We share the same goals and offer our assistance to Assistant Secretary Hampers in building a partnership that will improve economic opportunities in rural America.

And now one word from the heart, straight from the heart. I am 39 years old. When I was in college about 20 years ago, for a while I thought I wanted to be a social worker, and I worked as a welfare worker. And I decided to become a lawyer instead, and the reason I decided to do that is because I couldn't work within the law, giving things to people that didn't allow them to swim away from the buoy they were hanging on to because they were afraid to go. This program works.

This program, with a small amount of money, allows us to teach people to fish. It allows us to help people become independent, and to have them provide jobs, lots of jobs, which you have seen, to other people.

It is the very basis of a bipartisan agreement that I think really should work. It can't be any more Republican in its concept in terms of putting a little bit of money in and recycling it. Golly, when people pay this back, we lend it out again. Some people have said, well, gee, you know, maybe you are not taking enough risk, you have too much success.

The reason we have success is because we support these loans with business assistance. Take one example, JBF Scientific. What an incredible company. That company would have gotten financing nowhere. It is an inventor with a crazy idea about making oil skimmers, you know, the boats that go behind the big tankers which we wish we had in place a year or two ago to pick up the oil when it spilled. He has a special design of an oil skimmer that will keep on working and wouldn't get stopped up or clogged up. That particular company was able to get started through the revolving loan fund.

That company was given business assistance, marketing assistance, all along. That company was one of the ones that caused us trouble because they paid down too quickly, because now they are very successful. It is one of the finest companies I have ever toured, and they employ 75 people, a lot of people in Maine, a rural state. That is the kind of thing that this sort of effort does, and we have that money back now to teach somebody else to fish.

So please try to give us the flexibility we need to do the good job we have done. Thank you.

[The prepared statement of Jean Deighan appears on page 41.]

Mr. **Applegate**. I have no remarks at this time, Mr. Chairman.

Mr. **Savage**. Thank you.

Now, I shall start in the order that you testified.

Mr. Spruill, let me just note that I agree with much of what you said.

Mr. **Spruill**. Well, I appreciate that.

Mr. **Savage**. I, too, cannot understand what you call the negative attitude toward this valuable program on the part of the Administration. I don't know why we send so much overseas and end up short of funds here.

And the length of processing time has been a problem in Chicago, a part of which I represent. Also, we hear you when you question the effectiveness of OEDP and suggest improving it.

Let me bring to your attention, however, that H.R. 2015, which passed in the House this year, calls for a development investment strategy for an area which would be more of a long-range schedule of investments based on an area's resources and needs, rather than the project-by-project approach of OEDP, so that we are sympathetic with the complaint that you make.

Perhaps it would expedite matters if we question or comment with regard to both testimonies.

While we have the opportunity, let me ask Ms. Deighan, what impact have you felt from the savings and loan crisis, if any?

Ms. **Deighan**. It has made it more difficult to find financing for many good ideas that don't meet technical standards. I actually spent a time working in the banking industry and have been very close to seeing the changes.

It makes it even more important to have a program of this type available to be able to launch ventures that are worthy of being launched and to again provide business counseling that gets people over the hump of making the basic business mistakes.

Banks cannot do that, and that is one of the reasons, perhaps, they have had so many failures.

Mr. **Savage**. I mean, do you find more borrowers turning to your organization?

Mr. **Aube**. Mr. Chairman, Members of the committee, I think with respect to the question, the increasing volume since regulators have tightened, if you will, their examination of how commercial banks and savings and loans and so forth are operating has resulted in an increased demand for the Revolving Loan Funds.

I think this comes for two reasons. One, it's no secret that in the Northeast, we are in a recession. And secondly, they are looking for ways in which to restructure debt or to have new businesses grow, and they don't want all the risks that they used to assume from the banks.

And so the Revolving Loan Fund has become more valuable. And, too, the clients are referred to us, in partnership with the banks. And so there are still risks involved, but in demand has, over the last six to eight months, I think, dramatically increased, Mr. Chairman.

Mr. **Savage**. Finally, Ms. Deighan, with regard to this 50 percent guideline for your administrative costs and so forth, I am sure you understand that one of the problems with many programs such as these of the EDA is there is a tendency, and I am not suggesting this with regard to your operation, because I am not fully familiar with it, but there is a natural tendency for staffing to consume more and more of funding.

And if these guidelines remain in place, with the 50 percent restriction, do you have any ideas with regard to alternative sources for funding your business counseling services?

Ms. **Deighan**. No. That is a really tough question to answer, because we are pretty creative, and we tried to find good answers to that.

The difficulty is, we cannot charge for business counseling, or we lose these other funds. So we cannot augment by charging. I mean, as a Board member, I have said, well, can't you stick a box out for donations? No, you cannot stick a box out for donations.

I mean, it's gotten down to that kind of bake sale mentality to support this kind of a very, very needed program.

In terms of where we are now and how we are dealing with it, I am going to turn it over to Mike, who is in current management, but it's a tough issue.

Mr. **Aube**. Mr. Chairman, what our organization has done is taken some of the interest income from the Revolving Loan Fund and applied that to match Small Business Development Center monies from the SBA.

But what we are seeing now, is restructuring of the economy in rural areas for the war in the trenches. It's the front line, and small business people are having a hard time managing their business.

It's the same businesses who were trying to figure out how they are going to survive in a global economic situation, whereas before, that was not the case.

We in Maine have the U.S. Canadian Free Trade Agreement. We are further impacted by that. What is that going to mean? And so we leverage those dollars, and when you say they are going to staff, I think that is true. They have gone into staffing, but to provide one-on-one counseling, which I think ends up reflecting the very low, loss of money that we have.

My board takes strong fiduciary responsibility for those funds. These are private and public folks who don't like to see defaults come, because it's more of an open situation. And I think that is a wise investment of those interest dollars to ensure that the principal comes back to be reloaned out. And that is our objective.

Mr. **Savage**. Yes, you see, but that is an argument again for more Federal funds.

What I am asking you is if more are not forthcoming, the guidelines are not modified, do you have any idea of where you may find additional——

Mr. **Aube**. No. At this point in time, we would be unable to match the SBA's requirement for local match for dealing with the Small Business Development Center program in our state. Absent those dollars that come from interest income, there is no other source, and so we would not be in the business counseling program a year from now.

Mr. SAVAGE. Thank you.

Congressman Packard?

Mr. PACKARD. Thank you.

Both of you have indicated certain numbers of jobs that have either been created or salvaged because of the programs. I know EDA in the past has had difficulty developing criteria to make those determinations.

How have you done it in the case of North Carolina?

Mr. PACIOCCO. Yes, sir. I think we are also working with the Job Partnership Training Act, so we keep a close look at that.

We are able to track the jobs, I think, very carefully as to what kind of success rate we are having. In some of our programs, we have to constantly monitor for at least a two-year period those jobs to ascertain that they are doing what they propose to do and have been successful at that.

Mr. PACKARD. And that is true also in Maine?

Mr. AUBE. Yes. And with respect to the Revolving Loan program, sir, what we do is it's part of the loan agreement that they will create a certain number of jobs by certain dates. I mean, we do semiannual reviews. We have annual audits. We have staff that actually visits the facility, and those people must document to us.

Otherwise, if they don't meet what they say they were going to, that requires a change in the terms and conditions of the loan, which you then have to go back to the board to agree to, so we could call the loan.

And so it's a technical assistance, monitoring, and oversight that play a role.

Ms. DEIGHAN. Our Board is very involved in these loans. Staff, as Mike has said, goes back and makes visits. The Board, too, has made visits. I have been to the Atlantic sand bars, been out in the middle of the bay dipping my feet in the stuff so that I wouldn't infect the fish.

We do go out and check, because we take our fiduciary responsibility very seriously, and every time a loan comes up, we ask what is the employment, you know; how much employment is it going to create or save?

And then additionally, we review these loans.

Mr. PACKARD. Ms. Deighan, you have indicated a difficulty of the 25 percent match requirement because of constraints here, and the difficulty of the program itself, surviving. What would be an alternative?

Ms. DEIGHAN. An alternative would be to relax the regulations giving us a flexibility that we are looking for.

I think we have proven that we can do a good job, and I guess we are asking you to eliminate a little of the bureaucracy in order that we may use our judgment and continue to provide the assistance that is needed.

Mike, do you want to add to that?

Mr. AUBE. Our many Revolving Loan Fund grants that were given early in the program were given without cash match. In our situation, the state provided us cash match. That was in the early 1980s.

Currently our state is not in the position to provide any cash match, nor are our local communities, because of the situation. Yet the need is there. And I think that is our point. If the Revolving Loan Fund program is to meet a need, we should not be prohibited from providing the services to meet the need because of the inability to raise the local capital.

Mr. **Packard**. One of the purposes of the program is to leverage the funds. You can't leverage the funds if you don't get local participation.

Mr. **Aube**. There is a rural development bill in which there is a discussion in which they are really leveraging private investment.

Our dollars leverage private investment. We leveraged over $10 of private investment. But that doesn't count, according to EDA regulations.

Mr. **Packard**. You are recommending that we streamline and that we remove some of the bureaucracy.

What specific areas would you do that?

Ms. **Deighan**. The areas we would recommend doing it is to eliminate the match requirement, number one. Number two, I think is to allow us to use more than 50 percent. Go back to allowing use of the interest from the Revolving Loan Fund for administrative assistance, which we use for small business counseling to help the loans along.

Mr. **Aube**. I believe some of the things we mentioned, sir, in our presentation are administrative type matters that would make our job a little bit easier. We think the processing time, for example, needs to be examined very carefully.

In all fairness, the processing time can stretch out a great deal if we have done a poor job of putting the application together. We are very much aware of that.

We are very concerned that it is taking this long to go through the regional office and then go to the national office.

Other federal agencies, SBA, for example, handles their loan processing up to a certain limit at the state level before it even goes to the regional level. We would like to see something like this come into play.

We think it would be cost effective and time effective for EDA and at our local level.

Mr. **Packard**. Thank you.

Ms. **Deighan**. Congressman Packard, I have recovered. There is one more thing. That is to allow us the flexibility in terms of qualifying people, companies for these loans so we don't have to be artificial in terms of running around and getting bank rejection letters.

Banks work with us and are very up front about when they are feeling they are taking too much risk. Yet, the scenario has a sound face, and if we were to work with them, they would like to go ahead.

Mr. **Savage**. Congressman Nowak?

Mr. **Nowak**. You mentioned this flexibility. As you pursue and process a loan request and you go through the development stage with the bank, you put together the application, where do you submit that application at the present time?

To whom do you do it?

Mr. **Aube**. With respect to the Revolving Loan Fund program, for example, in 1981 our development corporation submitted its administrative plan and request for grant based on the current guidelines to EDA at the state level, the Regional Office of Philadelphia and then to Washington. That grant was made in 1981.

We were following our administrative plan. Since 1981 to 1990, every time there is a new EDA directive or change in administration or change in perhaps national policy, we have to amend the administrative plan. We are given written documentation.

Here is how you have got to do it now. That is based on national criteria. Our issue is that the grant awarded based on the plan that is submitted at the time and that that plan should be enforced for the duration.

What happens now is we lose the flexibility by future directives which, say, amend your plan, irrespective of economic conditions changing.

My suggestion would be the plan submitted at that time, recommended by the regional office and approved by the national office is a plan that should be enforced.

Mr. **Nowak**. You talked about your reviews and you go out to look at what the portfolio contains. You mentioned that your loss is relatively low at the present time.

Yet, we are seeing more and more pressure on some of these, especially the small businesses that are trying to now operate in a little different economic climate.

When you make an adjustment as to how sound those loans are, do you communicate that with EDA?

Have there been reviews of that through the system?

Ms. **Deighan**. Yes. As a person who is involved in terms of being on the Board, where fiduciary responsibility lies, we have regularly met with people from the EDA who ask us about our program and how we are administering it.

We have to be responsible enough to be able to respond to all the inquiries. I think had Cassandra visited us on several occasions, we would have worked with her.

Management, who is at the Development Corporation every single day instead of a few times a month like me, I am sure would like to answer more specifically your question.

Mr. **Aube**. We provide quarterly reports, semi-annual reports, as well as do site visits with our EDR with all our projects on a regular basis. Our EDR is in our office at least one day a week.

Ms. **Deighan**. I see him all the time.

Mr. **Nowak**. As far as your present program is concerned, what type of demand do you have out there now? How does that compare with the past years?

Mr. **Spruill**. May I address part of that? As we said, we are in a very rural area, basically tobacco, peanuts, hogs. But, that economy is changing. And as we de-emphasize on tobacco, many of our agriculture people are looking for other opportunities and are getting in other types of businesses.

In this area we are finding a lot more demand. We operate not only the Revolving Loan Fund, but SBA and others that are available. We are finding more and more small businesses turning to us now as they are realizing that there is an opportunity.

Interestingly enough, in the past two years particularly we have worked a great deal with our banking family throughout our five counties. The bankers are now sending us more clients than we are picking up through our own marketing effort.

So, there is quite a partnership there to point that they have now even asked us on the SBA 7-A loan, they have asked us to do the packaging for them because we can handle it so much more cost-effectively. We are seeing a tremendous upsurge in requests.

Mr. NOWAK. Are you at the present time able to serve that increased clientele? Did you sit down with everybody within a matter of weeks or 10 days after they called or they present their packages?

Do you have time and staff to review it and then to move it through the system?

Mr. SPRUILL. At this point, yes, sir, we are dealing with probably about 10 clients a week on the average with just the micro-enterprise loan fund. Our Revolving Loan Fund has just now been funded and is gearing up. I don't know how many of those clients we are going to have.

Our SBA, we will have probably a half a dozen inquiries a week. Interestingly enough, many of those inquiries are not eligible for one reason or the other. That is an SBA problem, not EDA. But at this time we are able to handle it.

The question about the bureaucracy and the added staff, I served on NADO's board. I am one of the officers. I get to meet my counterparts around the country, and we discuss the revolving loan, the EDA situation.

I don't know of very many that are gearing up with a lot of staff people. I have a staff for my entire operation of 34 people.

I have one EDA person and one part-time secretary. That is all I have ever had in the six years I have been there, and that is all this region has ever had in the 24 years it has operated.

So we do not see that. We anticipate within two years at the level we are moving now, we will need another full-time position to help with servicing our loans.

In our case, different than Mike's, we are fortunate that our community college situation works very closely with us in helping to do some of the business plans and some of the counseling. We don't do that ourselves.

Most others do.

Ms. DEIGHAN. May I just add that we are in a Catch 22 now. We have sort of a, we have a social responsibility to do marketing to let the average person know that there are these things available.

Yet, on the other hand, sitting at a restaurant the other night going over this, I ran into someone who was asking me what I was doing.

When I told her about it, she said, "Suppose I could go up there and find out if they would help me in my bakery expansion?" I said, "Absolutely."

I felt a twinge of guilt because our business counselors are putting in a lot of their own time and it is getting to the point where these people aren't going to be compensated for the work they are really doing. We should market, but dare we market?

Mr. **Aube**. We did not market for that very reason. We cannot meet the demand that is out there with the current resources for the staff.

Mr. **Nowak**. Someone, I guess, mentioned some of the problems with looking at other sources of funding that are now drying up.

We have had a total revolution where some of the federal programs have been reduced, this being one. But many other programs have put other pressures upon states and locals. Somebody suggested here in their testimony that little town governments who can't find anybody to run them anymore and are actually abandoning some of the democracy that we now see coming upon Europe and Poland and Russia. Yet we are losing our, "small democracies."

The role in EDA, I looked at the Secretary's new agenda and she is seeking a decentralization. Instead of running this organization very haphazardly, as perhaps it was in the past, she is trying to get input from EDR's and from your organizations and your specific problems so that we can work through the system and, perhaps, improve it.

I think that is going to go a long way in providing not only the personnel but the changing kinds of flexibility you are going to need if you are going to meet this demand.

We don't miss those kinds of opportunities that perhaps are in the area because I have the feeling with the whole banking deregulation you are going to get more instead of less business.

All the banks are going to start referring anything that becomes even a little sensitive to them. They are going to move over to you or to SBA and tell SBA, you know, that is a good project for you to take.

So we are going to have to be, you know, expanding our own vistas here. If we can, again, I think the Secretary will look for some combination of input. The cost sharing concept is here to stay.

We are going to have to sell this not only to EDA, but to your own county and certainly the state initiative programs that have perhaps dwindled because of this extra pressure. I can't think of a better program to use some of this money.

You are seeing a transition from the large tobacco company people and the potato farmers up in Maine. We have to find substitutes.

I thank the gentleman for the time. I am looking forward to the other testimony.

Mr. **Savage**. Thank you.

Congressman Applegate, do you have any questions of this panel?

Mr. **Applegate**. Let's see. I think Mr. Payne was here before I was.

Mr. **Savage**. Congressman Payne?

Mr. **Payne**. Thank you very much, Mr. Chairman. I just want to say that I can very much identify with Mr. Spruill and what is going on in the northern part of North Carolina because it is adjacent to the district that I serve.

I have in my district some 5,000 tobacco farmers. We are faced with many of the very same things you are. It has occurred to me as I have sat on this subcommittee and we have had people from all over the country who have come talking about the needs that they have in their area, whether it is in the South or in Maine or in the West, or when we were in Chicago for a hearing and talked there.

But a real similarity among all the groups who have expressed the fact that this is a program that really works. It is one that if it were allowed to work as well as it could, it could do a lot more than it is even doing at the present time.

I think to follow up on what Mr. Nowak has said, because of this credit problem, you will find you have a lot more business than before. You will find you will have better business than you had because loans that would have been financed by the financial institutions will now be coming to you.

They will see better credit than you have seen. Consequently, they likely will get the loans.

The people who are on the margin will be the people who still do not have a good source of funding, maybe to a greater extent than has been true in the past. That is something that certainly we on this committee need to understand and monitor as we go forward.

But I do think that is a phenomenon that is with us and one we will need to deal with.

I have one question just so I could perhaps understand this better, having to do with the Revolving Loan Fund. Maybe if I could ask Ms. Deighan about this.

Once the Revolving Loan Fund is established, and as you make individual loans within the fund, each of those loans then also has to be approved by EDA or do you have the autonomy to approve this?

Mr. AUBE. Those are all approved locally.

Mr. PAYNE. You then make the decision about the terms of the loan, the interest rates, the length of time, et cetera?

Mr. AUBE. That is correct, sir, based on the guidelines that EDA has put forth. They are local decisions. The Board will make those decisions.

Mr. PAYNE. You are responsible—when I say you, I mean the Board. You are responsible for reporting on some regular basis to EDA concerning the portfolio?

Mr. AUBE. Quarterly and semi-annual reports.

Mr. PAYNE. The flexibility you are requesting really does not have to do so much with the individual credits, but has more to do with the terms and conditions that are set forth that should somehow be more flexible?

Mr. AUBE. The flexibility we are requesting is, in fact, with respect to terms and conditions.

The new regulation that came out last year, July of 1989, for example, defines an eligible borrower differently as compared to before. That has placed a burden on our people and our lending community and our auditors.

I would say, wait a minute. What is the new definition of eligible borrower, which was different than the original plan agreed on in 1981. That is the flexibility we are looking for.

We recognize it is a partnership, it is a risk. In our situation our administrative plans says we will do no more than 40 percent of any venture.

The fact of the matter is we have done no more than 20 percent of any venture. Private capital has done the balance. EDA's current regulations have raised issues in terms of does a borrower suddenly have to go and get turndowns letters?

Is it a program of last resort? Do we have to explore other financing? It is not clear. Instead of turning something around in 60 days, we are now having to talk to our banks and going into 1990, 120 days, half a year. The small business community can't wait for that.

Ms. DEIGHAN. It is evidentiary what it is. I doubt there is much difference between who you approve and who EDA wants us to approve.

Mr. PAYNE. I understand. Let me say I think those of us in our business talk a lot about doing things that can make a difference for our people back home. I think you are on the front line doing that. I admire what you do, and I thank you.

Mr. SAVAGE. Thank you.

Congressman Applegate?

Mr. APPLEGATE. Thank you.

I think most of what has been said or needed to be said has been said by these folks up here. The questions asked, I really don't have too much else to ask.

I would just say that I think—and I didn't get a chance to read Joe's testimony, but in listening, it sort of mirrors my district. I come from a rural area besieged by economic difficulties, and a state that is having more difficulty in trying to cooperate.

We have unemployment rates that are excessively high. Two of my 11 counties have high double digit unemployment rates and others with better than 8 percent unemployment, which is well above the national average.

So we see the necessity for the continuity of programs such as EDA. In our area we also have ARC, the Appalachian Regional Commission, Farmers Home Administration and others like that. EDA plays an important role in the establishment of these Revolving Loan Funds.

We just went through getting one established in one of my counties. I know that in trying to get that established, it was a devil of a job in the first place.

It was very difficult. It seems like a lot of rules and regulations change from time to time. When you think you just about have it, all of a sudden something changes in midstream. We would like to see more stability in that. It isn't easy.

It isn't easy to continue to administer and to keep it going. But it plays such an invaluable and integral role in seeing that our areas do get at least a fair share of the so-called American dream.

And we know that, of course, it is, we like to see some more flexibility in perhaps the 50 percent level for administration and this type of thing, and also the 25 percent matching funds, which makes it difficult for areas that, if they didn't need EDA in the first place, they would probably have the money.

And so it makes it very difficult. Although we know we would like to see cooperation or partnership, you know, still it makes it very difficult. I just appreciate the info and the input that you have given because it will mean a great deal in our deliberations in trying to arrive at perhaps a more equitable and palatable and overall better solution for EDA and for our areas.

Mr. **Savage**. Thank you.

Did you have further comment?

Mr. **Aube**. No, sir.

Mr. **Savage**. In that event, let me thank this panel very much, particularly Ms. Deighan and Commissioner Spruill.

Secretary Hampers, would you take a seat?

Secretary Hampers, let me again welcome you and thank you particularly for being so generous in your time by having agreed in advance to sit through the testimony and hear it so that your statement could also be somewhat responsive to it. That should prove valuable to us.

I thank you for that.

Also, of course, I want to thank you for the responsiveness of your office to the question I raised in our meeting in my office.

Let me also note that Congressman Nowak had to leave for urgent business for his subcommittee, Water Resources. I wanted to add his welcome.

He is going to try to return before we complete this hearing.

If you like, you can introduce your staff members and then proceed in any way you see fit.

TESTIMONY OF HON. L. JOYCE HAMPERS, ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, U.S. DEPARTMENT OF COMMERCE, ACCOMPANIED BY DOUGLAS ALLER, DEPUTY ASSISTANT FOR ECONOMIC DEVELOPMENT; RUTH KLEINFELD, DEPUTY ASSISTANT SECRETARY FOR LOAN PROGRAMS; CRAIG SMITH, DEPUTY ASSISTANT SECRETARY FOR MANAGEMENT SUPPORT; DAVID McILWAIN, ACTING DEPUTY ASSISTANT SECRETARY FOR GRANT PROGRAMS; AND JOSEPH LEVINE, CHIEF COUNSEL

Ms. **Hampers**. Thank you, Mr. Chairman and Members of the subcommittee.

I want to thank you for this opportunity, inviting me here today to present to you the overview of the operations of the Economic Development Administration and, of course, to share with you some of my thoughts about some of the priorities that I see for the future of the Economic Development Administration.

I also want to particularly thank you, Mr. Chairman, for having invited the representatives of the Eastern Maine Development District and the Mideast Commission to come here today because I think that it is important and also helpful for me to sit and listen to some of their concerns.

This is the kind of thing that I want to be doing more. I intend to be getting out into the districts. I have, indeed, planned some trips.

Some I have already taken and some I begin to take next week, getting out into the region.

I have submitted a written statement for the record. I am going to highlight a few points of that statement. I will begin with the priorities I have developed since my confirmation in April.

As I stressed in my written statement, taking the lead on the positive management of this agency and its programs are of utmost importance to me. During my early meetings with employees of EDA, I was particularly impressed with the enthusiasm shown for their work and the willingness to do the very best possible job. I intend to accelerate that objective by making the system work in the most efficient manner possible.

Under the direction of Secretary Mosbacher, I am committed to make EDA more responsive to the public that we serve through a program called Total Quality Management. TQM provides a comprehensive way to achieve higher performance and improve quality of work in a consistent organization—wide manner.

It instills a responsibility for achievement in all employees and encourages team work at the regional and local level. On July 11, I traveled to Atlanta, Georgia, and indeed down to coastal Georgia and throughout to introduce TQM and to open an ongoing dialogue with regional and field staff concerning EDA's management objectives.

Through TQM and a projected streamlining of program support and management I expect to see improvements in the area of grants and loan processing time which will contribute to achieving the goals of the agency. I have made it a priority to visit over the next few months areas throughout the country which EDA serves.

I will be meeting with all of EDA's regional offices, during EDA projects and visiting EDA's constituents so I might see firsthand the problems that concern those we serve.

I will encourage projects that reflect the Department of Commerce's priorities, including technology transfer, global competitiveness, export trade, rural tourism and job skill training. I realize that private sector involvement is critical to economic development of local economies and that we must support initiatives that will encourage the business community to make long-term investments in those communities that need the jobs.

Mr. Chairman, that concludes my presentation. I would like to introduce my staff as you suggested with me here today.

On my left is Douglas Aller, our new Deputy Assistant Secretary for Economic Development, the so-called principal deputy. Ruth Kleinfeld, our Deputy Assistant Secretary for Loan Programs, who is to the left of Mr. Aller. Craig Smith, who is our Deputy Assistant Secretary for Management Support, he is behind me here.

And Dave McIlwain, who is on my right, Acting Deputy Assistant Secretary for Grant Programs and Joseph Levine, Chief Counsel, who is to the far right.

I would now welcome the opportunity to answer any questions you may have, Mr. Chairman, or the Members of your committee.

Mr. SAVAGE. I have one here.

After listening to the testimony regarding some of the problems of the Revolving Loan Fund, I have been long bothered by the administrative use or lack of use of the loan guarantee authority, which would seem to me might ease some of the pressures on the Revolving Loan Fund.

In your statement for the record, you indicate that to date you have obligated only $71.8 million in grant funds, but $1.3 million in the loan guarantees for fiscal year 1990, though you recognize in your statement that for 1990, as in other years, you have been provided a loan guarantee authority of $150 million. That is a terribly small amount to exercise of your authority. And I would like to ask why.

Ms. HAMPERS. What I think you are getting at Mr. Chairman, is that program has, indeed, been allowed to atrophy. We now have a Deputy Assistant Secretary for the Loan Program, and I am going to let her speak to this, who not only is quite capable in this area, but who has a very enthusiastic attitude about our taking a more active role in this area.

There are many emerging technologies that really cannot get funding elsewhere because they are just that, emerging technologies. And I think that if we are going to encourage those initiatives, which in my understanding is what the Secretary and the President would like to do, it would seem to me that you are quite correct, the loan authority is a good thing to use to do that.

I might point out that it is a small amount that we are talking about that has been obligated this year under the loan guarantee, but it is probably 200 percent better than what has been obligated in the past under that program.

Mr. SAVAGE. You refer to someone as the person in charge.

Ms. HAMPERS. Ruth Kleinfeld, whom I introduced to you as the Deputy Assistant Secretary in charge of the program.

Mr. SAVAGE. Did I understand you to say that she is enthusiastic about the program?

Ms. HAMPERS. I believe that she is. Enthusiastic in terms of directing it and——

Mr. SAVAGE. Am I to presume that Ms. Kleinfeld is new on the job?

Ms. HAMPERS. Ms. Kleinfeld was appointed by me in my administration, yes. She has not had a position in the Federal Government before.

She comes from the state government in Massachusetts, as a matter of fact.

Ruth, would you like to talk about the loan guarantee program?

[The prepared statement of Ms. Hampers appears on page 50.]

Ms. KLEINFELD. I am going to refer some of that to my competent and long-term career employee, Mike Oberlitner, who is in the room with us. He is Division Director for Liquidations. He is Deputy Acting Director for Loan Programs.

Let me draw the distinctions for Revolving Loan Funds we provide to a grant program and the guarantee authority run as a separate program.

We have a couple of pending applications for loan guarantees and we are working those as quickly as the banks who are the facilitators can get the information to us.

Mr. SAVAGE. What do you intend to do to utilize more fully the loan guarantee authority that is provided you? You mentioned that you have a few applications. Well, that indicates—I mean that evidences a problem right there.

Obviously, particularly in light of the problem with the savings and loans, you would expect there to be an abundance of applications. If the banks are not utilizing them, it should make you wonder why.

Is it something that has been happening with EDA and its practices that has discouraged applications? But mainly unless you feel there is no need for the program, what do you plan—have you had time yet to even begin to consider what you might do to revitalize that program?

Ms. **Kleinfeld**. My efforts have been more in that direction. They are consistent with the Secretary of Commerce's initiatives for the department. I think there will be opportunities to work with other assistant secretaries and under secretaries in the department on initiatives in high technology areas, for instance, and other ways in which we can support the Secretary's outcomes or objectives.

I would like to see this program grow in that respect.

Mr. **Savage**. Let me see if I understand you again. You said in accordance with the objectives of the Secretary, something like that you said?

Ms. **Kleinfeld**. Yes.

Mr. **Savage**. I gather that implies that the Secretary then is in favor of a much fuller use of this authority?

Ms. **Hampers**. I think what she intended to say is that the Secretary hasn't gotten that specific. The Secretary—I think we would have to explain to him we have a loan program.

But, he does have some, he has some broad objectives, as you know, in the Administration's concerns in terms of encouraging global competitiveness.

Global competitiveness is an objective of the department, to encourage that, and certainly technology transfer are some of these broad objectives. We are under the direction that whatever we can do in our areas throughout the Department of Commerce to encourage those objectives, we should do that.

And I think Ms. Kleinfeld is simply saying this is one area where we could possibly contribute to that objective.

Mr. **Savage**. I wish I didn't have to belabor the point. I am simply not getting what I am trying to.

Ms. **Kleinfeld**. If it will be helpful, we have not been inundated with applicants. We have not been turning away loan guarantee opportunities.

Mr. **Savage**. The problem, again, when a program is not active, you will not expect to have very many applications. Activity itself tends to generate applications.

What I am really trying to reach here is your own attitude, more than the specifics, since I guess it will take you a bit to get your hands on to everything.

But where you cannot speak for the Secretary, maybe you, Ms. Hampers, could indicate your own attitude. That is, are you concerned that this authority is not, has not been exercised and recognize that when Congress provides in the law, an authority, it does so because it feels exercise of that authority is necessary and in the interest of this program.

Your failure to exercise that authority to any greater extent than has been exercised by EDA could reflect a difference of opinion in this regard. But do you recognize that it is the opinion expressed in law that governs?

As a consequence, are you committed to more fully and substantially utilizing this program? If so, do you intend to convey that to the Secretary?

Ms. **Hampers**. Well, I don't know that I need to convey it to the Secretary. I think that, you know, he, as I said, I don't think it is that specific in terms of today you will do this and tomorrow you will do that. It is certainly something that I am interested in pursuing.

I think it can fit into the department's objectives. We have many tools. Certainly the loan program is one of them to fit into that.

I think it is one of the tools that we should use, yes. That is sort of a long answer to your question. And I intend to utilize it.

Mr. **Savage**. Would you intend to utilize it much more than in the past?

Ms. **Hampers**. As Ms. Kleinfeld has said, we have not been inundated with applications. I think my first priority will be to find out why.

I suspect that one of the problems is that there is a 25 percent equity requirement in the, I believe it is in the law, at least, it is pretty well established. It is in the regulations.

And that is a big problem right there for companies that are just now getting together and putting an organization together to come up with the 25 percent equity. That may be one of the problems. I don't know.

I throw that out as one of the things that I see that might be a problem.

Mr. **Savage**. If it is a problem and it is a regulation, it is a self-imposed problem on the agency?

Ms. **Hampers**. We can't change the regulation. We can't change anything that was not in effect as of December 1987.

According to the law, we are prohibited from altering any legislation or adding any that was not already in effect as of that time, which brings me to some other concerns in terms of some things that have really, I think, hamstrung this agency.

In Congress' effort to protect this program, which is certainly understandable, in some cases, as I have looked at this, we have gone to the point where we have actually impeded the ability of this program to work. That is a perfect example right there.

If we want to get into it, I can go into those restrictions that have caused less flexibility than what is needed to accomplish our objectives.

Mr. **Savage**. I don't want to take up much more time on this point.

Let me conclude by asking that I gather from what you are saying, I guess we could say that because of this lack of applications and relating it to the lack of activity in the program, more applications are more loan guarantees?

If so, do you favor being provided with greater flexibility in the law with regard to the 25 percent, for instance? You would favor that?

Ms. **Hampers**. I think that would be helpful. I am not quite at this point ready to say that that means that I want to run off and change a lot of things. But I think that it at least gives me the opportunity to look at it and to see where we are today and to go back and look at the history and see what has been the problem? Has that been one of the reasons it has not been utilized? At this point it would be kind of an exercise in futility to go back and look at it so long as I can't do anything about it.

Mr. **Savage**. Congressman Packard?

Mr. **Packard**. I believe it was the Appropriations Committee in 1987 that did require that there be no changes in the regulations. So it is a Congressional mandate, not an in-house mandate.

Recognizing that the Administration, the President and the previous President did not include in his budget funding for EDA, and that certainly does carry a message with it, how do you plan to, and what is your vision of EDA in light of the President's policy?

Ms. **Hampers**. My vision, Mr. Packard, is that I just cannot, refrain from doing a job that I am given to do. That is not in my nature.

I have to do it well. Whatever philosophy that I might have doesn't matter because if I am given a job to do, it has to be done to the very best of my ability.

I see that as long as Congress sees fit to appropriate funds for this agency, it is my job to see that they are expended in the very best manner possible and that they do what it is that they are intended to do, that we serve the community that we are to serve.

And we use those tax dollars to get the greatest amount of leverage that we can out of them. To me, that says that you have to get as much private investment into these local economies on a long-term basis as we can because that is where it is really going to work.

It has got to work at the local level. It has been made very clear to me in making these travels out to the areas that local involvement is so important because we cannot do it from Washington.

No matter how large the program would be, you could give us billions to do it, and it wouldn't work unless we had that local involvement because Washington is too far away. I intend to see that we get that local involvement.

Mr. **Packard**. You mentioned some reforms need to be made. What specific reforms would you recommend for EDA to become effective?

Ms. **Hampers**. I was interested to hear the comments here today from the economic development districts because some of them are my concerns as well. Processing time is not going as rapidly as I would like for my compulsion. That is one of the reasons that I want to institute this total quality management.

I think it really works. You can have faster processing if people are really committed to making it work. And if you decentralize—more control at the local level, and I am talking about in our regional offices, I think you are going to find things going a lot faster. But we have to have confidence in those people before we can let go, so to speak.

I intend to arrange it so that I can have that confidence. And I intend to put in this total quality management system so that I can feel assured that when they are making decisions, that they are making the right ones.

Mr. **Packard**. Has the loan program been a success, in your judgment, particularly in view of the almost 50 percent, 45 percent default rate?

Ms. **Hampers**. You are talking about the loan guarantee authority, not the Revolving Loan Fund. It would be hard for me to answer that without going back and studying each one of those loans and what happened to them from their inception.

I think we have some large mistakes. There were mistakes that I think perhaps even the best economist could not foresee at the time. The steel loans are clearly a disaster. But these were things that could not be forecasted at that point.

I think the 50 percent default rate is a bit misleading at this point because, as the Chairman has pointed out, we haven't been making new loans.

So you get to a hard core at some point, so that your percentages go up in terms of default because you don't have much left in the way of new loans.

So I think that the 50 percent from that standpoint should not be taken as an indication that this operation is unsuccessful.

However, having said that, I would not also say that I think that it is widely successful because I have not had an opportunity to really study all of the loans throughout the history of the program.

Mr. **Packard**. Of those loans that were made in the last five years, how many loans were EDA loans?

Ms. **Hampers**. The ones in default now?

Mr. **Packard**. Yes.

Ms. **Hampers**. Very few of the ones made in the last five years.

Mr. **Packard**. How many of them were EDA loans as opposed to the trade adjustment loans?

Mr. **Oberlitner**. The bulk of them would be EDA loans. The percentage rate on the Trade Act loan is higher in terms of default, but there is less of them.

Mr. **Packard**. What changes in the process do you think need to be made to correct the uncollectible? Is there something we need to do or you need to do to change the——

Ms. **Hampers**. To be able to collect quicker and better?

Mr. **Packard**. To eliminate the default rate, to improve the default rate.

Ms. **Kleinfeld**. I think one thing that our liquidation division, our loan program operation can be very proud of is the great success we have achieved in recovering funds for the taxpayer and the government from the delinquent caseload that we inherited. The debt collection activities include servicing loans that are current.

Mike Oberlitner directs liquidation activities for those that have seriously defaulted and cannot cover. Over the last few years we have collected $200 million and returned that on behalf of the taxpayer.

The procedures we have for liquidating the loans seem to be effective. I don't believe we need to recommend at this point without a closer look any changes that would enhance that process. It is a question of balancing that against a caseload of current loans.

Mr. **Packard**. Any revolving loan concept, such as guaranteed student loans, and in this case our guaranteed loans, if there is not repayment, Congress is left with a serious dilemma.

Either we watch the program die because there is not the reimbursement program, or we have to feed the program. I don't know whether the Congress is going to be very willing to increase funding for programs, particularly when they are simply not getting the return back on guaranteed loans, but especially under the difficult financial services we find ourselves.

That certainly is an area we would want to have to study to determine what can be done to improve our record there.

What initiatives does the EDA have in place that encourages the private sector participation in a greater role?

Is there any program that we have that encourages the private sector involvement?

Ms. **Hampers**. I think the whole program does that. At least that is how I see it. I think that with our requirements as they stand now for making grants, we are not going to make a grant without some private sector initiative that we know is going to be involved in this process at some point. I would let Mr. McIlwain address that. I believe private sector involvement is at the core of it.

Mr. **McIlwain**. Yes, Mr. Packard.

All of our projects in terms of public works and the Title IX community adjustment assistance program generally respond to local development activities that involve the private sector.

The private sector needs certain information, certain types of improvements in order to enable them to expand or locate in a distressed area. We are targeting our assistance to those communities that have potential to create jobs through the private sector. It is something that we look for on all of our projects.

Mr. **Packard**. At this time you are satisfied that the private sector is involved to the level that they should be in terms of their own private capital?

Mr. **McIlwain**. In terms of their private capital, it is not part of our matching share requirement. The local community has to provide the non-federal share for the EDA assistance project.

In terms of the private investment, that is going to result separate and apart, as a follow-on to the EDA investment.

Ms. **Hampers**. The other thing I might mention, Mr. Congressman, is our bank CDC program which has been very popular. We are hoping it will become even more popular. But we are getting more and more requests.

We have tried to encourage what we call a community development corporation set up by local banks. It is a little known area of the law that banks have not used up to the point that we started promoting it.

As you know, banks are not allowed to make equity investments under the normal regulations. But, they can set up these CDC's where they can get involved and have equity participation in the local community.

Not only that, but it counts toward their Community Reinvestment Act requirements. So banks are getting more and more interested in this.

We have been helping them to set these up. This is an example of where no federal dollars are necessary to expend. That we can take our staff's time and our expertise, which is what I think we ought to be doing more of. We are supposed to be experts in this. We do have expertise in economic development.

We ought to be out helping communities to help themselves. This is one of the areas where it has been very successful, that we have used our expertise to help banks to do this.

Banks are now doing it. I think we have some, what do we have, seven or eight in the country that have been operating for some time now and are ready to sing the praises of this kind of involvement.

Mr. **Packard**. Thank you very much.

We appreciate your testimony.

Thank you, Mr. Chairman.

Mr. **Savage**. May I just add I think we ought to be clear on this matter of restrictions on EDA's authority to make regulations, the restrictions placed in law in 1987 by the Appropriations Committee.

I think it would be wrong for us to leave, thinking that the problem originated with the restrictions placed by the Appropriations Committee. That is just contrary to the record.

What happened is the Appropriations Committee saw fit to restrict regulations because EDA, in its estimation and in the estimation of this Congress, was not operating in accordance with, but rather contrary to the intent of Congress as provided in law.

The regulations were not intended to discourage EDA from fully exercising the authority provided by law to it, but because they were not. The instance that I gave regarding the loan guarantee program is the clearest example.

$150 million in loan guarantee authority and less than 2 percent exercised. In fact, less that 1 percent exercised. $1.5 million out of $150 million. The authority is given because in the view of the Congress it is necessary to meet the needs of our nation.

Now if EDA begins to communicate better with Congress, which was one of the factors involved that caused action by the Appropriations Committee in 1987, if EDA communicates more with Congress and is more compliant with its intent, there will be no problem with regard to restrictions on its authority by the Appropriations Committee.

One way to evidence that is to begin to exercise the authority given you in the loan guarantee program. Now having said that, let me, in order to recognize the presence of the Chairman of our full committee, the Public Works and Transportation Committee, the distinguished Congressman Glenn M. Anderson of California.

Mr. Chairman, please feel free to make any comment you wish.

Mr. **Anderson**. Well, thank you very much, Mr. Chairman.

First of all, let me apologize for coming in late, but I had to be on the Floor, and there was a Surface Transportation hearing I had to be at.

I do have one question, Mr. Chairman. On Monday our full committee had the privilege of holding infrastructure needs hearings in St. Clairsville, that is Doug Applegate's district, and in Youngstown, Ohio.

Let me tell you. In Washington we talk about infrastructure and economic development, but nothing can be more sobering than to see firsthand and to hear first hand their effect on the daily lives of our citizens. The St. Clairsville and Youngstown of America, according to their testimony, are hurting. They desperately need help to promote and sustain their economic development.

Yet, the track record of the, I guess you can say, both the Bush and Reagan Administration on EDA funding, I believe, has been terrible. Every year since 1981 the President's budget has proposed zero funds for EDA.

Every year Congress has struggled to keep the agency going.

Given this, Secretary Hampers, I would be interested in knowing do you support increased funding for EDA to meet our nation's economic development needs?

The second question is do you support and will you work for enactment of the EDA bill this year?

Ms. **Hampers**. 2015?

Mr. Chairman, my response to that is that, as I had stated earlier, I guess before you came, in response to Congressman Packard's question about how I will behave given the Administration's position in zeroing out EDA grant funds. My response was that I am a process person.

My political philosophy is important to me and I certainly have my views, but when I am given a job to do, I am going to do that job, and I am going to do it the very best I can. I cannot live with myself if I don't.

Congress has seen fit to continue this program. The Administration obviously has not. I have said this many times in terms of the process, the Executive proposes and the legislature disposes.

Once the legislature has spoken it is time to then act and do what needs to be done. I intend to carry this program through with all of my heart and all of my support once the funds are given to me to do so.

It will be done as well as it can be done. I will not slack off. I won't just sit here and say, you know, well, if I don't do anything, perhaps it will just go away. I can't operate like that. This will be a program that will be well administered.

Mr. **Anderson**. Then you would support increased funding for the EDA program?

Ms. **Hampers**. You sound like a news reporter. You must have had some background.

No, I do not support increased funding. I support doing the best job we can with the funds Congress gives us to do it with.

Mr. **Anderson**. I see.

My other question, will you work for the enactment of the EDA bill this year?

Ms. **Hampers**. I will cooperate in terms of giving whatever technical assistance that Congress needs, but I will not go out and lobby for the passage of the bill.

Mr. **Anderson**. I realize you are part of that Administration. Sometimes when you are in an Administration, you can try to influence them in different directions, too, you know.

Anyway, thank you very much. I just wanted to bring it up.

Ms. **Hampers**. Thank you, Mr. Chairman.

Mr. **Savage**. Congressman Payne?

Mr. **Payne**. I don't have any questions. I guess I have an observation. That is as we have sat in these hearings over the years, in my case a little over two years, and have listened to groups such as the ones we have heard today, it has become very apparent to me that this is exactly the kind of thing that we ought to be encouraging and ought to be doing more of in this country.

Not only does it sound good philosophically, but it works. It has those two elements you mentioned.

It has local involvement. We have seen it all over this country. It has a leveraging of funds so we use not only private sector funds which are coming in, but we are getting local funds and we are getting state funds as well.

It is the kind of private, public-private partnership that really seems to work very well.

I guess it is puzzling to us as we view this. I think Ms. Deighan said earlier that this seems to be a Republican program. It seems to have all elements that the Republicans ought to really like very well.

Also, we think it is a very Democratic program and we work very hard on a bipartisan basis to keep it going because it gives people a hand up. We believe in that. But we are looking for people who not only will administer this, but we are also looking for advocates.

If you are not one now, we hope we can work together and soon you will be a real advocate of the EDA program.

Thank you very much.

Mr. **Savage**. Congressman Applegate?

Mr. **Applegate**. Thank you, Mr. Chairman.

Again, Ms. Hampers, first of all, I would like to take the opportunity to say thanks to the EDA for two projects in my district in the last 12 months. They certainly have come in handy, and have been very vital in helping a very somewhat distressed area.

I think we have already gone through that, the high unemployment figures and this type of thing. As the Chairman stated, he did come down to St. Clairsville, Ohio, in my district and listened to a great number of people, county commissioners, economic development people and state legislators expound on the problems of infrastructure in our area.

The only way that we are going to be able to improve that is to have this partnership, as was brought out, between the federal and state and the local government.

And we need this kind of input. It has been a good program over the years, and I know that you are there just to do your job. Of course, you say you will do it with enthusiasm and all the willingness that you have.

I guess what I would like to know is, even though you say you are not supporting any increases in this, do you feel that $214 million overall dollars in 1990 is adequate to take care of the nation's needs?

Ms. **Hampers**. Mr. Congressman, who knows what is adequate. Certainly there is no limit to what might be adequate. It is a question of what we can afford.

Mr. **Applegate**. Well, it is also a question of, can we not afford to help the local areas, because they have been hard hit, and a lot of it has been because of the policies of the Administration over the years that we are in the recessionary dilemma that we are in.

I consider that we are in that kind of situation. I know that in 1980, we were appropriating about $550 million, and since that time, as the Chairman has pointed out, the Administration has recommended zero. As a matter of fact, they have recommended zero in Farmers Home Administration, in education and ARC, and many of the lettered agencies, in order to try to balance the budget.

But what this does is it just works in absolute reverse. Because if we don't help local businesses and local communities with the problems that are confronting them, we have no opportunity at all to provide the government with more money in the coffers from taxes because there won't be any jobs. And that is where we are right now.

There are a lot of different reasons why all these things come about, and of course the inequitable trade policies are one of them. But somehow or other we need this infusion, we need, you know, guaranteed loans to help these businesses, and more revolving funds. And these are monies that really are not just being given away, they are monies that are being put into the system which will create, and then bring monies back in to help to pay for the monies that they gave out in the first place. I mean, it is a cyclical thing which is a positive thing. And so what I am saying is I know some of your predecessors, incidentally, I think have been put into the position that you are in now to help to get rid of the program.

Fortunately the Congress, and I think it is on a bipartisan basis, has seen fit not to allow that to happen, but to see the continuity of this program, because they see the value of it. So I would just hope that you would be as enthusiastic as you claim that you will be, and more so than your predecessors, in seeing that these programs are going to be fully utilized, and try to help to push for more in the program, because we would certainly like to work with you.

We want to see an adequate program, and we want to see it of course not only in just EDA, but also in some of these others. So that is really all that I had to say, but I am very happy to have you come and to talk and to introduce your staff. It is good to see you on board, and we will be looking forward to working with you and seeing your support for more money.

Ms. **Hampers**. You place an awful lot of emphasis on my abilities in this area. I thank you for thinking I have that much power, but you people have done very well without my support. But I appreciate that you think that my support would be helpful.

Certainly, the best welfare program is a job. I would certainly agree with that.

Mr. **Savage**. Mr. Chairman, did you have any further comments or questions?

Mr. **Anderson**. No, thank you.

Mr. **Savage**. Let me see. One thing is, Ms. Hampers, in the past we have been provided lists of approved projects and university centers funded identifying the historically Black Colleges and so forth, and I presume this practice would be continued.

Ms. **Hampers**. You are talking about university centers under the technical assistance program?

Mr. **Savage**. Yes, but I am actually talking about the lists, the lists of the approved projects and the centers that are funded, you know, just your records.

Ms. **Hampers**. Oh, you mean to provide you with that?

Mr. **Savage**. Yes.

Ms. **Hampers**. Oh, sure, of course.

Mr. **Savage**. Also, this doesn't require a response necessarily, just permit me to observe that in the previous Administration, there was some question as to how sensitive it was to urban needs, especially regarding distressed industries and disadvantaged population segments, such as steel making and African-Americans in urban areas. That group has suffered twice the rate of unemployment as the country as a whole for the past 10 years, and the median family income is less than 60 percent of that of the country as a whole.

You, of course, come from an urban area, and I hope that has provided you with an experience that would cause you to become more sensitive to this matter, as it is recognized incidentally in H.R. 2015, where distressed areas and disadvantaged population segments are identified.

Ms. **Hampers**. I think the jobs skills training is very helpful in that regard, Mr. Chairman, and I would like to see more programs like that.

Mr. **Savage**. And, of course, related to that is the development of small disadvantaged businesses, because they often disproportionately provide job opportunities for minority population segments.

Ms. **Hampers**. Exactly.

Mr. **Savage**. In addition, of course, we will be sending you some questions and requests for specific data that I mentioned before, which will be made a part of the printed record of this hearing.

Ms. **Hampers**. Certainly.

[Subsequent to the hearing, additional questions were submitted to Ms. Hampers. The questions and responses may be found beginning on page 80.]

Mr. **Savage**. And now, if you have any other comments or responses to what has been said here, including the previous testimony, feel free.

Ms. **Hampers**. Nothing other than to say in conclusion, I thank you for the opportunity to come here and hear the concerns of the committee firsthand—I have had an opportunity to meet with you Mr. Chairman and with Mr. Packard, and I hope that I will have the opportunity to meet with each one of the committee members individually at some point.

You certainly know that you can call and I will make my time your time anytime you want to meet.

Thank you very much.

Mr. **Savage**. Thank you.

On February 23 of this year I received testimony during a Subcommittee briefing in Indiana, Pennsylvania, on the economic distress in Western Pennsylvania from the following individuals:

Mark A. Snyder, Vice President, Snyder Associated Companies Kittanning, PA.

Joel McKean, President, Pennsylvania Coal Association.

George Dragonir, The Rochester & Pittsburgh Coal Company, Chairman, Economic Development Commission for Indiana County.

Dr. William Joseph McFarland, President, Geneva College, Beaver Falls, PA.

Metro Petrosky, Jr., Washington County Commissioner & Chairman, Economic Development Projects Committee of the Southwestern Pennsylvania Regional Planning Commission.

E. James Trimarchi, Chief Executive Officer, First Commonwealth Financial Corp.

Ivan Tylawsky, Director, Office of Regional & Community Initiatives, Pennsylvania State Department of Commerce.

Nicholas P. Molnar, President, District 2, United Mine Workers of America.

Ronald D. Painter, Chief Administrative Officer, Tri-County Private Industry Council, Inc.

Mary Ellen Currie, Case Manager for the Homeless of Butler County.

Catholic Charities of the Diocese of Pittsburgh, Inc.

I would now ask unanimous consent that the transcript of the February 23d proceeding, including the testimony previously identified herein, be incorporated, and made part of, the official record of today's proceedings.

Without objection, so ordered.

[For the proceedings of the Briefing Session of February 23, 1990, see page 143.]

With that, this hearing is adjourned.

[Whereupon, at 12:27 p.m., the subcommittee adjourned.]

PREPARED STATEMENTS OF WITNESSES

Testimony of:

JEAN M. DEIGHAN

Chair

Eastern Maine Development District

before the

Subcommittee on Economic Development
of the
Committee on Public Works and Transportation

in the

U. S. House of Representatives

July 19, 1990

Washington, D. C.

STATEMENT OF JEAN M. DEIGHAN, CHAIR OF EASTERN MAINE DEVELOPMENT CORPORATION, BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION IN THE U.S. HOUSE OF REPRESENTATIVES, JULY 19, 1990.

Mr. Chairman and members of the House Sub-Committee on Economic Development, I am Jean Deighan, Chair of the Eastern Maine Development Corporation, located in Bangor, Maine.

Accompanying me today is Michael W. Aube, President and Chief Executive Officer of the Eastern Maine Development Corporation.

I would like to thank you for your interest in examining the role of the Economic Development Administration (EDA), without your support and interest, there would be virtually no means of promoting economic growth in areas that are lagging behind.

The Eastern Maine Development Corporation, known as EMDC, is a private non-profit regional economic development organization designated in 1968 by the U.S. Department of Commerce as an Economic Development District.

The EMDC service area includes six (6) of Maine's most eastern and rural counties, comprising one-third of the State's geographic area, 244 municipalities or over one-half of the political sub-divisions of the State, and over 30% of Maine's population.

The Eastern Maine Development Corporation's development district is one of the poorest in the northeast, trailing Maine, New England and the United States in per capita income based on figures published by the U.S. Department of Commerce. Of New England's 67 counties, three (3) of EMDC's counties are in the bottom ten (10). EMDC's counties rank 48, 49, 52, 59, 64 and 67 in the lowest in per capita income. Per capita income in Waldo and Washington counties, respectively, is only 64.8% and 68.4% of the national average. Hancock County, ranked 48, has the highest per capital income in Eastern Maine at just 85.3% of the U.S. average.

According to the Maine Department of Labor, unemployment within the EMDC six-county area averages 8.5%. Unemployment ranges from a low of 6.7% to a high of 11.4% where unemployment in our service area remains at minimum, 25% higher than the national average.

Economic Development districts like the Eastern Maine Development Corporation provides economic development planning, technical assistance, and services otherwise unavailable in most rural areas. In the EMDC area, local elected officials and private sector representatives depend on our organization for professional assistance and, like most multi-jurisdictional organizations, EMDC is multi-functional, we administer a wide range of federal and state programs which I will detail momentarily.

For more than 22 years, EMDC has exemplified the public-private approach to economic and community development. The EMDC is a member of the National Association of Development Organizations (NADO) and endorses the NADO 1990 policy statement. This statement underscores the needs of rural sectors, along with the need for partnership. This policy statement is attached to my testimony.

The Economic Development Administration (EDA)'s general planning funds to EMDC are extremely beneficial. Although the amount awarded to EMDC, $70,000, is small, it provides the seed money and professional staff needed to foster community and economic strategy planning.

These EDA planning dollars have allowed EMDC to serve clients in both the private and public sectors. EDA funding provides the foundation for all other initiatives, and is the strength of the entire EMDC economic development efforts. In addition, as a multifaceted organization, EMDC provides services to private sector clients (primarily businesses) including business counseling, market analysis, financial packaging for business growth, government procurement services, access to specialized government business loan programs (including EMDC's revolving loan fund which is capitalized by the EDA), and access to a variety of state and federal government programs available to facilitate business development. To our public sector clients (primarily local and regional governments), EMDC provides specialized services including comprehensive planning, growth management planning, capital improvements planning, public infrastructure development, community consensus-building activities, land use planning, environmental assessment analysis, grants packaging for government funding of infrastructure development, downtown revitalization, housing rehabilitation and business development, local and regional economic base analysis, and grants implementation and administration. Supporting our services to all clients, private and public, are EMDC's research and analysis capabilities performed by staff in the EMDC Data Center.

Such a diverse range of services demands a specialized, yet well-integrated staff. EMDC's diversity can be attributed to its staff members, who are individually trained and experienced in business management, accounting, finance, marketing, government procurement, public administration, community development, planning, statistical analysis, engineering, public relations and organizational management. The integration of EMDC's 32 staff members is maintained through our "consultant-style" organizational structure and a "team" approach to the organization's activities.

Some of EMDC's activities over the past few years illustrate the range of our services. These activities include: coordinating local, state and federal entities and preparing the financial package which resulted in a $24 million expansion of the West German company, Lemforder/ZF to Brewer; preparing the financial/training package which resulted in a joint venture between the Penobscot Indian Nation and Shape, Inc., which produces tape cassettes and employs over 100 people on the Indian Island Reservation; providing one-on-one counseling to over 400 small businesses throughout our region in the last twelve (12) months; coordinating a strategy, and preparing government grant proposals to address the economic dislocation as a result of a projected 1400 layoffs in the pulp and paper industry by implementing a retraining program coordinated with the Region's Technical Training Institute; administering a major public works/downtown revitalization effort of over $1 million in the City of Belfast; coordinating and staffing regional efforts to construct a $100 million refuse-to-energy facility; preparing a successful $400,000 grant application for constructing an addition to the Federal Marine Trades Center in Eastport; coordinating a $205,000 Comprehensive Economic Development Plan for the Penobscot Indian Nation, which assesses resources, markets and opportunities in energy, timber, land, water, industrial/commercial enterprise and community facilities.

1989 marked a record-setting year for EMDC. The Small Business Development Center (SBDC) staff provides business assistance to more than 520 residents of Eastern Maine - which set a new record. The Maine Procurement Assistance Center (MPAC) staff conducted over 950 counseling sessions - a 50% increase over the previous year's totals. EMDC prepared seven (7) financial packages - all of which were funded - for a total investment amount of nearly $3 million with the creation or retention of more than 200 jobs for area residents. And, EMDC helped eight (8) communities access major grants for the State and Federal Governments, totalling close to $2.3 million.

In addition, in keeping with the U.S. Department of commerce's number one goal, international trade, the EMDC organized and lead a successful trade mission to Japan. This international trade effort on behalf of private businesses of our area has already lead to business deals.

Rural American businesses do have trade opportunities to offer the global market. Development Districts throughout the nation, like the EMDC, can be the Department of Commerce's grass roots network to achieve this goal.

Of particular importance to the EMDC region and relevance to today's hearing, is the EDA funded Revolving Loan Fund Grants (RLF).

As of March 31, 1990, of the 27 RLF loans made, 11 have been fully repaid, nine (9) are current, "0" are delinquent, two (2) have defaulted and three (3) have been written off.

Since its inception in 1980, of the $1,650,000 EDA RLF funds load, less than 1% per year has been lost. We are proud of this record, and know that any financial institution would be envious. EMDC's Revolving Loan Fund has been instrumental in retaining 268 jobs and creating 479 new jobs for a total impact of 747 jobs. This has had a significant impact on the economy of EMDC's service area. EMDC's EDA RLF program has leveraged over $10 million in private dollars. The jobs per dollar ratio, (one job for each $2,135) as well as the leveraging ratio ($1 per 6.1), for the EMDC Revolving Loan Fund portfolio are well above that which was originally projected in the plan submitted to the Economic Development Administration in 1980.

In addition, the success EMDC has achieved with the EDA RLF program has allowed our portfolio to grow to over $10 million, made up of UDAG, CDBG, and SBA 504 funds, to name but a few.

Obviously, the foundation and the strength of EMDC's economic development efforts are the Economic Development Administration Planning Grant and the capitalization of the EDA RLF Program.

I would like to briefly highlight a few difficulties we are having with the EDA RLF Program, specifically, some of the modifications of EDA Title IX RLF Regulations (per directive 17.07 of July 10, 1989) which are hindering our implementation of this program.

There are four (4) items of concern:

1. Excess Retention:

EDA regulations state: The retention of more than 25 percent of the total capital of the RLF (i.e., uncommitted funds) for more than six (6) months as documented in two (2) consecutive semiannual reports. Excess retention can only occur in the revolving phase of the RLF Project.

It is our understanding, that the grantee may be required to submit the EDA share of the amount over 25% which would be available in a letter of credit for a time period established by EDA. Funds not used during this time period could be permanently lost.

Between September 30, 1989 and March 31, 1990, Eastern Maine Development District (EMDD) had five (5) loans prepay and one (1) loan term out. The unexpected repayment of these five (5) loans accounted for $163,205 additional dollars in funds available for new loans, driving the current balance available as a percentage of total RLF capital to 38%. Without the unexpected prepayments, EMDD's percentage would have been 23.5%.

Does the excess retention policy allow for waiver provisions? Should an RLF fund be penalized by submitting funds to the EDA, thus losing program income for the fund? At what point is the RLF grant - a grant?

We recommend that the EDA RLF grant be awarded to eligible entities similar to the way FmHA, HUD, HHS, and other federal agencies give grants. Grants are given based upon current policies and are financially and programmatically accountable based upon the approved administration plan of the grantee.

The current EDA process requires continuous changes in procedures and ammendments to the administration plan causing confusion with program operators, borrowers and auditors.

Obviously, we appreciate the intent of the excess retention policy, however, it appears we have created more bureaucracy, and less flexibility and local management of the fund.

2. Minimum Interest Rate:

EDA regulations state that the minimum interest rate an RF LF can charge in four (4) percentage points below the current money center prime rate quoted in the Wall Street Journal but no less than four (4) percent, or the maximum interest rate allowed under State law, whichever is lower.

This guideline changes the basis for determining the minimum interest rate on loans from the prior guideline of the rate on U.S. Treasury issues of comparable maturity to the prime rate being charged by the money center banks as quoted in the Wall Street Journal.

In EMDC's program, the U.S. Treasury rate makes more sense. Under this new guideline, hypothetically, borrowers in the early 1980's would have been subjected to very high rates. For example, in September 1981 prime rate was 21% resulting in an RLF rate of no less than 17%. Similarily, the treasury rate was 15% resulting in an RLF rate of 11%. It is not the intent of the RLF program to make excessive profit, but rather, provide financial assistance to create new private sector jobs.

3. Eligible Borrowers and Types of Loans: According the EDA's directive 17.07, a borrower is only eligible for RLF financing when credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation or accomplishment of the project activities to be financed. The RLF grantee is responsible for determining that a borrower meets this requirement and for maintaining documentation in the loan file describing, in each case, the basis for the determination.

What does this mean? How many private lenders must be asked to provide financing before a borrower is eligible? Does eligibility for an RLF loan require that all other public financing, i.e. SBA Guarantee, FmHA, CDBG, etc., as well as state programs be explored?

Does verification of eligibility specifically require bank turndown letters? If so, how many?

In the case of EMDC, our lending institutions request use of the RLF program because it is flexible. Rather, it is a partnership to assist a borrower in the financing of a project that would otherwise not occur.

We recommend that flexibility and local decision making based upon the approved RLF administration plan be the basis for eligibility.

For example, EMDC is currently considering an RLF loan to provide adequate financial support as well as an incentive for the expansion of a Southern New England company to a small rural community with an unemployment rate of 9%.

From the town's perspective, this project represents a rare opportunity to obtain a clean, high tech, globally oriented business. Due to its remote location in the interior of Maine, far from interstate highway and major population centers, this region has seen relatively little new industrial activity in this past decade.

Our RLF participation, with assistance from the town and the State of Maine as well as private investment, will result in the building of a new facility and creation of 50 new jobs.

We worry that the new guideline would not allow for use of the RLF as an incentive for business expansion.

4. Sources of funding to cover administrative costs: Accordingly, EDA regulations expect that no more than 50% of program income be used for administrative purposes. Further, EDA does not expect to see a proportionate increase in administrative costs as the RLF capital and lending activity increases.

This guideline, coupled with EDA's other requirement, that RLF programs are expected to provide other forms of technical and management assistance and services to aid business development and benefit unemployed workers in the area, causes significant financial hardship for the grantee.

In the case of EMDC, we provide full-service business counseling, with other resources that require a local cash match. Historically, we have used RLF interest income to help underwrite these costs. If we can only use up to 50% of our interest income, EMDC will no longer be able to provide our small business counseling.

Specifically, the current EMDC RLF Program provides approximately $70,000 per year in interest income. At a 50% level only $35,000 per year would be available. This amount coupled with another $6,000 per year in origination fees provides only $41,000 per year to pay for all staff time, travel, including the required semi-annual site visits per loan, legal and other out of pocket expenses.

In addition, as an RLF matures, the results of a default by a borrower has a dual affect of decreasing program income while increasing expenses such as legal fees, etc.

It is important to remember, that the intent of EDA is to provide assistance in distressed areas. Other funding sources to manage RLF programs are limited or non-existent. EDA simply must allow more flexibility.

In addition, RLF capitalization and recapitalization are extremely difficult when EDA requires a 25% local cash match. Please keep in mind, we are distressed areas. Local cash is limited. Match should not supercede need as reason to create an RLF. We must work to eliminate obstacles to economic growth.

In summation, the Economic Development Administration (EDA) has been a successful program at the local level because of the agency's flexibility in determining economic distress. Currently, EDA provides funds to EMDC and another 288 Economic Development Districts in 47 states for strategic planning and technical assistance to local governments, businesses and non-profit institutions. Although the amount awarded to each district is very small, it provides the funding for professional staff needed to help foster community development and economic diversification. With the loss of revenue sharing and cuts in other programs, local governments depend more than ever on the development district staff for planning and technical assistance.

Although the total amount of money invested in Eastern Maine by EDA is modest, it is enormously important. EDA provides money otherwise unavailable. EDA funds are of vital importance in working with the private sector to maintain and create jobs. EDA was created in response to patterns of economic distress. As long as this distress continues, EDA and the Federal Government need to continue to play an active role.

The importance of continuing the federal-local relationship in economic development is critical. We need to have a commitment that the federal government is concerned about improving the health of local economies.

All development is local. Local government and their regional institutions play the central role in bringing together public and private resources needed to build local economies. In our opinion, the Economic Development Administration provides the federal leadership which stimulates this local development process.

Finally, we look forward to working with Assistant Secretary for Economic Development, Joyce Hampers. Working with the administrators of the EDA for the past several years has been difficult at best. We share the same goals and offer our assistance to Assistant Secretary Hampers in building a partnership that will improve economic opportunites in rural

America.

Thank you.

STATEMENT BY THE ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT, L. JOYCE HAMPERS, BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, JULY 19, 1990

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to present to you today an overview of 1989 and 1990 operations for the Economic Development Administration (EDA) and to discuss the 1991 program objectives from the perspectives of the Congress as well as the continuing viewpoint of the Administration.

FY 1989 PROGRAM OPERATIONS

For 1989, EDA was appropriated $24.7 million in administrative funds, $150.0 million in loan guarantee authority, and $182.0 million in grant funds. In the area of Public Works, EDA awarded 198 grants with total estimated project costs of $290.6 million of which the EDA investment was $123.8 million. The average EDA participation rate was 49 percent which is the same as in FY 1988 and slightly below the 55 percent participation rate in FY 1987; the average grant amount was $625,000 as compared to $604,000 in FY 1988.

The Economic Adjustment program funded 65 regular projects with a total EDA investment of $22.2 million. Of these amounts, 19 grants for $7.0 million were used to establish new Revolving Loan Funds (RLFs); nine grants for $3.9 million were used to recapitalize existing RLFs; and 35 grants for $11.3 million were awarded in response to Sudden and Severe Economic Dislocations. Of the latter, 18 projects for $752 thousand went for adjustment strategy grants and 17 projects for approximately $10.4 million were for implementation grants. In addition, EDA provided $5 million to the Department of Labor to assist in the immediate cleanup efforts and short-term job dislocations resulting from the destruction caused by Hurricane Hugo.

During FY 1989, EDA's Planning program provided 55 grants to Indian organizations, 282 grants to Economic Development Districts, and 37 grants to state and urban areas. This included funding for eight new districts not previously funded. These grants had a total value of $23.0 million. In the Technical Assistance program, 122 grants valued at $6.8 million were awarded, including 11 new University Centers, which were funded with monies made available from the graduation program. EDA also funded 14 research projects totalling $1.0 million.

Lastly, EDA approved two Business Development loan guarantees in FY 1989 with a face value of $3.15 million. This marked the first time in three years that loan guarantees had been approved. I might note also that two loan guarantees have been awarded so far this fiscal year. In the area of debt collection, the Office of Loan Programs collected $46.9 million. Delinquencies were reduced $22.6 million and now constitute $192.8 million, or 45 percent, of the business and public works direct loan portfolio of $422.6 million.

FY 1990 APPROPRIATIONS AND CURRENT OBLIGATIONS

For FY 1990, EDA was appropriated $25.4 million in administrative funds, $150.0 million in loan guarantee authority and $189.0 million in grant funds. To date, we have obligated some $71.8 million in grant funds and $1.3 million in loan guarantees. Projects being considered which are currently in the pipeline are more than adequate to expend the balance of the appropriation. The following table summarizes the FY 1990 appropriation and obligations by major programs as of June 30, 1990.

(in thousands of dollars)

Account/Program	Annual Appropriation	Obligations No.	Obligations Amount
Salaries and expenses	$25,386	N/A	$18,229
Loan Guarantee Authority	(150,000)	(2)	(1,300)
Economic development assistance programs (EDAP)			
Public works	109,830	58	40,540
Planning assistance	23,102	280	16,930
Districts	(15,543)	(228)	(14,188)
Indians	(2,835)	(51)	(2,617)
States	(1,890)	(-0-)	(-0-)
Urban	(2,834)	(1)	(125)
Technical assistance	6,613	29	1,944
University Center Program	(4,724)	(23)	(1,711)
Research and evaluation	1,193	3	545
Economic adjustment	48,242	32	11,839
Revolving loan fund	(12,035)	(16)	(6,225)
Sudden and severe	(36,207)	(16)	(5,614)
Total	188,980	402	71,798

Mr. Chairman, now I would like to outline what I have begun to develop as my priorities since my confirmation in April.

I am a process person. I like to make things happen. Taking the lead on the positive management of this agency and its programs are of utmost importance to me. During my early meetings with employees of EDA, I couldn't help but be impressed with the enthusiasm shown for their work and willingness to do the best job possible. I intend to actuate that objective by making the system work in the most efficient manner possible.

TOTAL QUALITY MANAGEMENT (TQM)

In moving toward that end, I have, under the direction of Secretary Mosbacher, committed to make EDA more responsive to the public that we serve through a program called Total Quality Management (TQM). TQM provides a comprehensive way to achieve high performance and improve quality of work in a consistent, organization-wide manner. It discourages the traditional hierarchical flow of information from management down to employees. It reverses the hierarchy, making management the support structure, and encourages information and instruction to flow from employees to management. By this method, I hope to restore more responsibility for achievement in all employees and especially instill a team concept for achievement at the regional and local levels.

On July 11th, I travelled to Atlanta, Georgia, to meet with EDA's TQM Steering Committee which will develop the program throughout EDA. Through TQM, I expect to see improvements in our agency in the areas of grant and loan processing time and employee creativity.

We are also looking at ways with personnel input to make EDA more efficient and to insure that EDA grant programs complement each other in achieving the goals and objectives of the agency by streamlining program support and management.

EVALUATIONS

To try to determine the effectiveness of past public works projects, I've requested a study which examines approximately 2,100 projects approved between 1977 and 1985. I hope the study will help EDA make better decisions on the use of public works resources and will help guide our programmatic decisions.

Additionally, I've requested a staffing study, currently under way, to review regional and headquarters grant processing time which should suggest parameters to increase the efficiency of all grant programs.

MANAGEMENT AND POLICY

I will continue to encourage projects that reflect the Department of Commerce priorities including technology transfer, global competitiveness, export trade, rural tourism and job skill training. I realize that private sector involvement is critical to economic development of local economies and that we must encourage and support initiatives that are beneficial to the business community. EDA funded a pilot project 18 months ago which started several Bank Community Development Corporations designed to allow banks and bank holding companies to make investments in the community--that encourage economic development--which might not otherwise be allowed by bank regulators. Requests for the EDA-sponsored manual and video from banks all over the country have been tremendous, and several established CDC's have already proven successful. It is projects like this which I will seek out and encourage for EDA.

Now I would like to address several points you raised in your Letter of Invitation.

GRANT PROCESSING TIME

I hope that the initiatives I have mentioned will help to improve EDA's application processing times which now range from three to six months for economic adjustment grants, two to three months for planning grants, one month or less for technical Assistance and research grants, and seven to nine months for public works grants. The latter time frame results from the time required for the applicant to evidence the availability and commitment of the nonfederal local share and to meet compliance requirements necessary for grant approval.

EDA has not had recent experience with ESOP projects from which to report an average processing time. An ESOP proposal with sound financial information may take no longer than four months, while one with poor financial documentation could take a year or more to reach final approval.

APPLICATION PROCEDURES

Generally speaking, the application process begins when a local Economic Development Representative (EDR) develops a potential EDA project, or when a potential applicant contacts the local Economic Development Representative (EDR). The EDR screens out proposals which are not eligible for EDA funding. Those which look promising are sent to the regional office for review. The preapplication process enables the potential applicant to propose a given project to EDA without incurring substantial cost or time compared to the cost and time of developing a full application.

If the project seems feasible based on Federal Register guidelines, the Assistant Secretary's instructions, and upon approval by the regional office Project Review Committee, the Regional Director will invite a full application. Application processing by the regional office staff includes a program explanation, civil rights and environmental reviews, engineering and financial reviews and legal reviews before the Regional Director makes his final decision to recommend the project for approval. The application is then forwarded to headquarters for final processing, further program, legal and compliance reviews and the reservation of funds. The final decision on funding of new grants and new money amendments to existing grants is made by the Assistant Secretary. Once the funding decision is made, the respective regional office is responsible for the post-approval project management of the grant, except in the case of national projects which are managed by headquarters.

PLANNING DISTRICTS

In FY 1990 all Economic Development District and Area Grants are being restored to at least the annual funding level they had on September 30, 1989, with the supplemental appropriation of $424,000 authorized by Public Law 101-302. However, EDA is looking at developing a fair and equitable system to determine District funding levels that will consider pertinent factors such as economic distress of the area being served, mission of an EDD, services they provide, and number of staff employed, among other factors. While poor performance has been used as a criterion in the past to withdraw EDA funds from a district, I believe EDA has a responsibility to help guide those districts into better performance rather than penalizing them for what likely can be attributed to inadequate resources.

To assist in identifying and exploring some of these factors and to more equitably manage the Planning program, EDA contracted with the Kansas Center for Community Economic Development (KCCED), a University Center funded under the Technical Assistance program. The project is built around two forums. The first one was held in June; and the second is scheduled for October. The forum includes the research staff of KCCED and people from across the country who represent different economic development interests. We expect to have preliminary research papers for discussion prior to the second forum, and more concrete recommendations in December. I would like to keep you updated on the progress we make and the recommendations we receive.

As well, I have made it a priority to visit over the next few months areas throughout the country which EDA serves. I toured several EDA sites in the Atlanta region last week, and I'll be meeting with all of EDA's regional offices, touring EDA projects, and visiting EDA's constituents, including economic development districts, so that I might see firsthand the problems that concern those we serve.

STATUS OF ECONOMIC DEVELOPMENT REPRESENTATIVES

Currently, five of the designated 49 EDR positions are vacant and in various stages of being replaced. Replacement selections have been made for the vacancies in Arizona and Arkansas, and security clearances are presently underway for those candidates. The position in Indiana, vacated in June, is being advertised.

Also regarding the EDR's, I would like to request your consideration on a matter which has posed serious handicaps to the smooth execution of our field operations. Legislative language provides protected status that maintains EDR's in their present locations. I would like to work with Congress to remove this language which has limited the agency's management flexibility and the ability to best serve its regions.

REVOLVING LOAN FUND (RLF) ADMINISTRATIVE EXPENSES

It had been longstanding EDA policy that EDA Revolving Loan Funds must be used for loans, not for administrative expenses that do not increase RLF capital. Subsequently, program income from interest earned on RLF loans and RLF loan fees were allowed to be used to cover administrative costs of the RLF, but in no case for administrative costs not directly related to the RLF. EDA expects that no more than 50 percent of such program income be used for administratives costs, and as RLF capital and lending activity increases, economies of scale should demand less dependence on program income for administrative puposes. While I personally have not studied this problem with great detail and I'm not prepared to make any decisions on the subject, I have agreed to meet with some economic development district leaders in order to examine the policy more closely.

CONCLUSION

Mr. Chairman, that concludes my prepared statement. I would like to introduce my staff with me here today:

Douglas Aller, Deputy Assistant Secretary
for Economic Development

Ruth Kleinfeld, Deputy Assistant Secretary
for Loan Programs

Craig Smith, Deputy Assistant Secretary
for Management Support

David McIlwain, Acting Deputy Assistant Secretary
for Grant Programs

Joseph Levine, Chief Counsel

Vince Goodman, Budget Director

I would now welcome the opportunity to answer any questions you may have.

TESTIMONY

GIVEN BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U. S. HOUSE OF REPRESENTATIVES, JULY 19, 1990.

By:

Joe Spruill and Bob Paciocco
Mid-East Commission
P. O. Box 1787
Washington, N. C. 27889
919/946-8043

STATEMENT OF JOE SPRUILL, COUNTY COMMISSIONER OF BERTIE COUNTY, NORTH CAROLINA; AND IMMEDIATE PAST CHAIRMAN OF THE MID-EAST COMMISSION, AN ECONOMIC DEVELOPMENT DISTRICT IN WASHINGTON, NORTH CAROLINA; BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U. S. HOUSE OF REPRESENTATIVES, JULY 19, 1990.

A. INTRODUCTION

Chairman Savage and other members of the Subcommittee on Economic Development, I am Joe Spruill a County Commissioner in Bertie County, North Carolina, and the Immediate Past Chairman of the Mid-East Commission, an Economic Development District in Washington, North Carolina.

This morning I am accompanied by Bob Paciocco who has been the Executive Director of the Mid-East Commission for the past six years; and formerly was the Senior Planner for an Economic Development District in Virginia for four years and a County Manager for three years.

First, I wish to thank you for this opportunity to come before you and share our thoughts about Economic Development Districts and their importance in our depressed rural area of northeastern North Carolina.

Next, I wish to thank you for your interest in the work of the Economic Development Administration, and for asking us to talk about its impact at the local level. When compared to the enormous Federal budget, this is a small program, but it is vital for regions like ours. I know the members of this subcommittee recognize the validity of such a program, especially because of the tremendous effect it has had on job creation and retention in depressed rural areas, and in light of the local, state and private sector funds it has leveraged to help solve our economic problems.

B. BACKGROUND

By way of background, let me describe our situation. Bertie County lies just 30 miles south of the Virginia/North Carolina boarder and is populated by about 21,000 citizens, 60 percent of whom are black, and the majority of whom are low income and poorly educated. Our largest town has a population of only 2,000. Per Capita income for the County was $10,870 in 1988 compared to North Carolina's $14,297. The concern we have is that our state per capita rate increase is 4.7 percent ahead of our County rate over the period from 1985 through 1988. This means our people are falling further behind each year.

For the past 15 years I have farmed in this county as did my family before me. I also own a building supply business. I have been an elected official in the County for 12 years and am personally aware of the positive impact EDA has made on our County as well as those surrounding us in the region.

This brings me to the Mid-East Commission, which I am also representing in this testimony. Our Commission was organized in 1966 as an Economic Development District. It was created and is controlled by the local governing bodies within a five county area that includes two cities and 38 towns. The total population of our Region is about 210,000. Since our beginnings, we have also added other services for our citizens. We are a Certified Development Corporation for the Small Business Administration; a Service Delivery Area for the Jobs Training Partnership Act; an Area Agency on Aging; and we administer grants dealing with the Community Development Block Grant program, Emergency Medical Services, local technical and planning assistance, senior employment program, two narcotics task forces, rural development and an automated Geographic Information System and mapping program. We also administer a Revolving Loan Fund and a Microenterprise Loan Fund to assist small business operations. Most of these are programs that our localities could not independently administer due to a lack of staff, or funds, or both. Of our 40 municipalities, 29 do not have managers or administrators; and of these, 20 have only a part-time town clerk; therefore, we serve to reinforce their staff expertise and needs.

Our Region is among the poorest in North Carolina. Until recently, our "denim collar", agriculture-based labor force was adequate, but today we must have an educated and trained workforce to compete in the world economy. While our unemployment rate increased 1.7 percent this year to 5.9 percent, a greater concern is our underemployment situation. A large percent of the work force is paid minimum wage. This is not adequate to support a family. Also a large number of our households have a single parent as head. This, coupled with minimum wages, adds to the financial burden we are dealing with in our economic development program.

We are also facing a fiscal crisis in many of our small towns. Growing Federal and state regulations, more demands for services by citizens and a declining infrastructure, coupled with an unstable tax base due to factory and store closings, have caused some towns to give up their incorporated status. Others are struggling to regroup and find innovative ways to "keep their heads above water." County property taxes have been utilized to help meet financial needs. Since 1984, our tax has increased from .49 cent per $100 of value to .96 cents. This doubling of the tax rate is not unusual for rural counties as it is almost the only source of discretionary revenues available, and constitutes the largest percent of their budgets. In a recent article in the New York Times (which is attached to this statement) our Executive Director was quoted on this issue. He described how these local needs have led to an ever increasing workload for our organization as more localities realize the financial wisdom of utilizing regional strategies to solve local problems. We are currently involved in many such projects from a regional landfill and recycling operation, to regional narcotics task forces, to a variety of regional economic development grant and loan programs for localities and individuals alike.

C. EDA'S ROLE

Having said all the above, let me talk about the value of the EDA program in our area. I will not include the Revolving Loan Fund program as this will be covered by other testimony.

In the past 24 years our small region invested more than $18.3 million for economic development projects alone. Of this amount, 46 percent, or $8.4 million, was leveraged from our local governments, state and Federal agencies, and the private sector, with the remaining $9.9 million coming from EDA. These projects have created more than 2,600 jobs. Please keep in mind that this took place in a five county region whose total population just reached 200,000 since the 1980 census.

In our case, EDA Public Works funding has been responsible for 21 county and municipal water and/or sewer projects; five vocational training buildings for our community colleges; five industrial parks; and the infrastructure required for several industries and a tri-county air terminal. Imagine the impact -- 2,600 jobs created for less than $10 million, or about $11,000 per job. In our five counties, these 2,600 citizens are now employed and are active tax payers.

While these figures may be small when compared to other agency grants, I'm sure you can appreciate the tremendous impact they have had, and are having, on our economy. Similar statistics can be shown for all Economic Development District's (EDD's) across the nation. Permit me to use a variation of a well used cliche when I say the Federal government is getting a powerful "punch for the pennies' they give the EDD's. In fact, I would challenge any other Federal agency to show better results for the funds invested.

D. CONCERNS

My last comments will focus on concerns relevant to the EDA program. Our major concern has to do with funding of the planning grants. These grants are essential if we are to be able to continue working with the public and private sectors in creating jobs. First, we are concerned about continued funding. In rural North Carolina, and throughout rural

America, we cannot understand the negative attitude toward this valuable program by the current and prior administration. To us, they appear to be shooting at rabbits when there's plenty of big game available for the kill. Again, I say there may be no Federal program that has done so much for so many with so little funding. At the Mid-East Commission, during these past 24 years, our total planning grants amount to $1.5 million, and 25 percent of that comes from local sources.

We believe that all tax dollars -- whether they come from local, state or Federal governments, should be spent very carefully.In our region, we are not at all hesitant to account to the citizens or the Federal government for these tax dollars.

A second funding concern has to do with the decreasing amounts we receive for planning. For the past three years our economic development program received $53,000 annually to staff our operation. With this we must pay a trained and qualified economic development specialist and a part-time secretary, plus provide their support package of fringe benefits, travel and indirect costs. Even in rural areas this is impossible. Therefore, to the EDA grant we add our required match of $17,667 plus whatever funds may be required to assure a successful and effective program.

To add to an already difficult situation, this year EDA cut our planning grant $3,000 without any opportunity for review or comment by those of us affected. However, I would be quick to note that we have been told this amount will be reinstated, for which we are grateful to the Congress. But even with this, we have experienced a 33.6 percent decrease in funding since 1973 while our cost of living continues to increase as does our local unemployment rate. To us, it appears that just when our war on economic survival is heating up, our ammunition supply is drying up.

The answer we have received to our pleas for more funding is to look elsewhere -- and we have! In North Carolina our General Assembly has recognized our plight and, five years ago, appropriated $55,000 annually for each regional organization such as ours. This is aimed at economic and community development, but it only partially fills the gap. Many states still do not provide this type of assistance. We have also had to learn to be entrepreneurial, and we actively work with public and private sector partnerships when we can. Our local governing bodies have also taken up some of the financial slac'.. They each pay as much as .45 cents per capita to our organization, as well as paying their share in individual projects. The bottom line however, is simply an understanding of why, while our programs continue to be cut, and we continue to be more and more a debtor nation, we are still more ready to help other countries with billions in foreign aid and our economy continues to slide downward. It's very difficult to explain that to poor, unemployed folks who need help.

The final concern I would like to address relates to administrative matters within EDA. These deal with such things as the processing time for grant applications and contracts and the Overall Economic Development Plan (OEDP) process.

We deal with private sector executives who are accustomed to moving projects along quickly. Currently the grant application process takes a year to complete. Part of the problem is the decisionmaking process. We suggest a timetable be established for handling pre-applications and applications. It would be beneficial if the regional office would review and respond to the applications within 30 days. Sufficient copies of each application are submitted so that each reviewing officer can handle their responsibilities simultaneously. The same timetable could be utilized at the national office as well. It would also help if the EDD were notified at the time an application was sent to the national office. As it is now, we do not know when this takes place.

We also believe some decisions could be made at the regional EDA office level. Other federal agencies set dollar limits, or other parameters, within which the regional office has sole authority to approve. This would greatly expedite many of our applications, and would be financial beneficial to the industries we are helping. With our most recent application, we figure a loss of $162,000 in salaries for each month's delay.

With regard to the OEDP, we believe the process needs to be reviewed and updated to respond to the challenges of the '90s. We will be the first to say the OEDP is, or can be, an important planning tool. We only question its effectiveness and would seek to improve it.

We feel very confident that with the new Assistant Secretary on board, and some discussions she has already had with our economic development organizations, we have a willing listener and a friend, and I thank her for that. We look forward to working with her in improving EDA's operations. We appreciate their appointing our Executive Director to a special twenty-four person study group charged with the responsibility of examining current EDD effectiveness. We believe this process will do much to reinstitute the practice of EDA and local EDD's working together to make the program more effective. It is at our regional level that we pull together the public and private sectors, the rich and the poor, blacks and whites into an effective economic development program that will not only create jobs, but will also improve the quality of life for our people.

In closing, I again thank the members of this subcommittee for allowing me to testify this morning. Bob and I will be happy to answer questions.

Strains of Governing in Small Towns

THE NEW YORK TIMES **NATIONAL** *MONDAY, JUNE 25, 1990*

Special to The New York Times

DERBY, Vt. — In March, after 18 years as a selectman in this small town on the Canadian border, Carl Hackett resigned his office.

Mr. Hackett, who is 59 years old, said he left the part-time administrative post midway through his sixth term because the pressures of small town government had become unbearable.

"When I joined the board, a little bit of arithmetic, some good common sense and a sense of honesty made you a good candidate for selectman," said Mr. Hackett, who runs a trailer park. "Now, it's preferable you're a lawyer."

Mr. Hackett is not alone. Across the country, officials in small towns, cities and villages say the tradition of private citizens overseeing small municipalities in their spare time is dying.

Governing in Complex Times

With the growing complexity of issues, like new environmental protection standards and burgeoning budget responsibilities, fewer citizens are seeking the part-time, largely volunteer positions that have run small towns. Officials say that the jobs now require professional skills they do not possess and that town administration steals too many hours from their lives.

The increasing complexity, also a concern of professional organizations and political scientists, could lead to fundamental changes in the ways towns govern themselves, experts say.

"When you dry up that supply to the point where there are few willing candidates, sometimes no candidates at all, you strike at the very heart of self government," said Alvin Sokolow, a professor of political science at the University of California at Davis.

Officials of municipalities, in telephone interviews from around the country, said several factors are responsible for the changes in government. They cited an avalanche of new Federal and state regulations, budgets that have been pushed above $1 million by rising costs and responsibilities, and economic hardships that require more sophisticated stewardship.

Several towns have buckled under the pressure and transferred their responsibilities to state governments. Most have taken less severe measures: They hire professional managers, collaborate with neighboring towns on large projects, and use a little arm-twisting to persuade residents of the civic duty to serve.

Experts who study rural government say there is a paucity of data on the subject, largely because of the high cost of polling thousands of town officials across the country. Nevertheless they point to a number of examples of what they say is a clear trend.

The towns feeling the most strain are those with populations of less than 10,000, and those represent 86 percent of the governments in the United States.

For every small town growing in population, there is a small town shrinking said Jeffrey Schiff, executive director of the National Association of Towns and Townships, an organization of small governments. Both situations present complications, either in demands for new, costly services or in shrinking tax bases and revenue.

Derby, a rural Vermont town with about 4,500 residents, was a different place in 1972, when Carl Hackett was appointed to a vacancy on its three member board of selectmen. At that time, the town was dominated by 100 dairy farms.

Now, 75 of those farms are gone and much of the land has been sold to developers, who built modern homes for new residents on large lots with scenic views of the Green Mountains. There are also a number of new businesses here, including a McDonald's restaurant and a General Motors automobile dealership.

And, Mr Hackett said, new residents make new demands, like asking the town to plow snow off the streets before they leave for their 9-to-5 jobs. Mr Hackett said he had neither the energy nor the time to tackle those new requests because of a litany of directives from the Federal and state governments on everything from solid waste disposal to personnel management.

Once it took common sense and math. Now, it takes a lawyer.

"There is just no way a person having a reasonable full-time job could possibly read the amount of material that flows into the town office weekly," he said.

In some small towns, a diminishing population and an increased workload have made it difficult to fill elected positions.

In Matherville, Ill., population 814, no one ran for mayor and only two residents sought six seats on the village board of trustees in the most recent municipal election.

The residential community, located in the northwestern part of the state, used to have strong candidates to fill government posts. But that was before the local economy slumped, causing a number of area factories to close and a number of people to move away, said Kevin J. Basala, who became the town's mayor last April as a result of write-in votes.

'I'm Busy'

"I'm like everyone else — I'm busy," said Mr. Basala, a full-time ironworker. "But I'd really have felt bad if somewhere down the line this town fell apart, and I had the chance to do something about it, and I didn't do it."

In response to the problem of finding willing volunteers, but more often to cope with the complexity of government, a rising number of small towns are hiring professional managers, said Mark Lapping, dean of the Faculty of Planning at Rutgers University.

Large cities and towns began writing positions for professional managers into their charters in the 1920's to clean up the corruption and inefficiency that were rampant in municipal government, Mr. Lapping said. But in recent years, smaller towns in strong financial shape have been hiring managers for a different purpose: to do most of the chores of government, including labor negotiations, budget planning and applying for grants.

Last November, residents in Kalispell, a small Montana city near Glacier National Park, voted to replace their mayor-city council form of government with one made up of a city council and headed by a professional manager.

Roger Hopkins, who was elected interim Mayor last fall, said the city Government had been unable to handle a population that had swelled to 12,000, a city budget that had risen to $8 million and a town staff that had grown to 150.

"I think we're ready for an outside perspective on our problems," Mr. Hopkins said.

Legacy of Reagan Years

The problems of small towns across the country multiplied during the Reagan Administration, when the Federal Government shifted responsibility for many of its programs to local governments, said Mr. Schiff of the National Association of Towns and Townships. During the same period, the Federal and state governments asked local governments to meet new standards in environmental protection, waste management, road maintenance, civil rights and other areas.

But as the Federal Government increased the workload of local governments, it took away much of the money needed to carry out its directives, Mr. Lapping said.

In 1986, Congress did not re-enact the General Revenue Sharing Act, under which the governments had split Federal tax money annually since 1972. In 1986, that amount was $4.5 billion. And for 80 percent of the nation's governments, it was the sole source of Federal money, Mr. Schiff said.

There are signs that some solutions are being found.

Last fall, Senator John Glenn, Demo-

TOWN OF DERBY
MUNICIPAL OFFICES

Paul O. Boisvert for The New York Times

Across the country, officials in small towns, cities and villages say the tradition of private citizens overseeing small municipalities in their spare time is dying. Carl Hackett recently resigned as a selectman in Derby, Vt., because the pressures of small-town government had become unbearable.

crat of Ohio, introduced a bill that calls on Federal agencies to protect small governments from excessive regulation.

And over the past few years, many towns have been joining with neighboring communities to share the costs of government. North Carolina's governments, for example, have expanded 18 regional planning agencies that they created in the 1960s to promote economic development.

One Region's Response

Forty small North Carolina municipalities finance and oversee one such agency, the Mid-East Commission, which is currently planning a regional landfill and running local programs on job training, emergency medical services and law enforcement operations. Over the last six years, the commission's budget has ballooned in response to its workload, to about $5 million from $1 million, said Bob Paciocco, the commission's executive director.

"These towns are fiercely independent," Mr. Paciocco said. "But they're learning fairly quickly that they can't afford the luxury of turfism."

Some towns have decided that the most cost-efficient option is to quit rather than fight. Towns in Maine, Kansas and Missouri, for example, have ceased in recent years to govern themselves. It isn't known how many more such cases might exist nationwide.

But Frederick Todd, who takes up governmental functions of towns in Maine that surrender their autonomy, said he does not anticipate an epidemic of municipalities giving up their authority, and he added that the state could support only so many. "At some point the state will have to [illegible] the rate at which it takes unorganized towns," said Mr. Todd, planning supervisor for the Maine Land Use Regulation Commission.

In light of recent world events, stories of towns disbanding are disturbing to one expert — Mr. Lapping, the Rutgers University planning professor.

"Here we are working to promote democracy all over the world," Mr. Lapping said, "and in our own country we're seeing [illegible]."

More national news [illegible] on page [illegible]

SUBMISSION FOR THE RECOR.

OFFICE OF THE MAYOR
HARVEY, ILLINOIS 60426
(312) 339-4200

DAVID N. JOHNSON
MAYOR

STATEMENT OF THE HONORABLE DAVID N. JOHNSON
MAYOR, HARVEY, ILLINOIS

MR. CHAIRMAN:

The restructuring of our national economy has had a profound impact on the city of Harvey, Illinois. In 1979 the city of Harvey suffered the loss of the 54 acre Dixie Square Mall. In 1985 the decline of heavy manufacturing in Harvey reached its lowest point when two manufacturing facilities-Wyman-Gordon and Allis-Chalmers-and the Atlantic Richfield research facility closed. The loss of tax revenues and jobs in 1985 added another heavy burden to an already weakened tax base.

In addition, we lost $750,000 in revenue sharing funds. We had to cope with the loss of $1.2 million from various revenue streams that were a part of a general fund budget of 16 million dollars.

Despite major obstacles we are fighting back. We are an Enterprize Zone. We have a Tax Increment Finance district. In 1987 we developed a strategic plan for economic growth and business retention. We have marketed the city nationally and internationally. And we plan to intensify this effort. The city is also active in regional development organizations. Nevertheless, in spite of all of these efforts we still find ourselves struggling to "keep our head above water"; that is, to continue to bring new business to the city while retaining existing industrial and retail concerns.

About ninety days ago the Dresher Corporation announced the closing of one of its manufacturing facilities, Harris Hub, in Harvey. This facility employed about 200 persons, most of them residents of Harvey.

I want to call your attention to several areas of major concern. In 1988 we had a ligh manufacturer that was interested in locating in the city of Harvey to manufacture extension cords. This project was ideally suited for our community because it was light and clean manufacturing and it was fairly labor intensive. This company had a facility in Mexico, and they also wanted to locate a facility here in the mid-west.

The project was highly rated by the Federal Government's UDAG program and we were slated to be funded through that project. But at the last minute one of the downtown Chicago banks decided they wanted additional guarantees; they wanted more equity for this project. Consequently, this project was killed because the owners of the corporation were not able to come forth with additional private funds.

We may have willing sellers, we may have willing purchasers, but if we do not have a commitment from local banks to serve as the intermediary, then these transactions will never be realized. This is one example of what some would refer to as "red lining" of certain areas in the south suburbs of Chicago; particularly those areas that have been racked by restructuring of the national economy and the decline of steel and heavy manufacturing.

As manufacturing has declined in Harvey homeowners and existing businesses have had to carry an increasing burden for the cost of municipal services. This process contributes directly to the flight of middle income residents and existing businesses.

Our enterprize zone incentives are not enough to help retain these businesses. In fact, many of the chief executive officers of existing businesses have stated to me their concern that they are subsidizing the tax reductions given to new businesses coming to Harvey.

The recent closing of Harris Hub helps to dramatize the need for more federal assistance to municipalities with characteristics like Harvey. Unless more help is forth coming for the retention of businesses and middle class residents, old industrial cities like Harvey may never be revived economically. If we are to stop the downward spiral of cities like Harvey we must break the cycle of industrial and retail closings, high unemployment, high rates of mortgage foreclosures, high taxes and high crime rates.

I have attached an analysis of the tax burden for a local auto dealer. Their total tax bill went from $27,544.70 in 1982 to $58,307.23 in 1989. This represents an increase of 212% in seven years! A dealership of the same size in a northwest suburb of Chicago would have a tax bill $25,000 less than the one in Harvey. When an auto dealer has to sell 25 to 50 more autos to pay local taxes it isn't surprising that they begin to look for a location elsewhere. The same is true for middle class residents. My own property taxes have increased 300% since 1975.

Please keep in mind that the skyrocketing of local taxes was set in motion by events that are largely outside the control of local elected officials, businesses, and residents.

In closing let me make some recommendations for actions that will be helpful to cities like Harvey:

1. The federal government should do more to assist in the financing of industrial and retail developments that will positively impact unemployment in economically blighted areas.

2. Provide more federal assistance that will enable municipalities to stem the tide of mortgage foreclosures caused by the restructuring of the national economy. This is crucial to our viability as a community.

3. Establish mechanisms for providing tax relief for existing businesses and middle income residents so that the "economic roots" of a community can survive and are there when new economic growth begins to take root as a result of the tax breaks that are available to new businesses but are not available to existing businesses.

Finally, since 1983 we have seen an increase in community organizations, block clubs and general citizens participation in local government. A growing spirit of self help is manifested in the level of citizen action in opposition to urban decay in all of its forms. Nevertheless, the social and economic forces we are encountering are national and international in scope. At the very least, there must be a national effort to assist us on the domestic front.

I firmly believe that now is the time and Harvey is the place for a new state, local and federal partnership to be forged. This committee can take us another step further by adopting the above recommendations.

Thank You.

David N. Johnson

David N. Johnson
Mayor, City of Harvey
Illinois
July 19, 1990

COOK COUNTY COLLECTOR

REAL ESTATE TAX BILL - 1982

VOLUME 201 29-09-114-004-0000 TOWN 37047 THORNTON

13,114.38 PAID 03-01-83

2.302	5,850.07	2.312	6,109.90	SCHOOL DISTRICT 152
				CHICAGO SOUTH SUBURBAN MASS TRANSIT DISTRICT
3.283	8,343.09	3.398	8,979.86	CITY OF HARVEY
.321	815.76	.337	890.59	HARVEY PARK DISTRICT
.222	564.17	.224	591.96	COMMUNITY COLLEGE DISTRICT 510
2.498	6,348.17	2.363	6,244.68	THORNTON TOWNSHIP HIGH SCHOOL 205
.023	58.45	.019	50.21	SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
.643	1,634.06	.664	1,754.75	METROPOLITAN SANITARY DIST OF GREATER CHGO
.095	241.42	.089	235.20	GENERAL ASSISTANCE THORNTON
.021	53.37	.019	50.21	ROAD AND BRIDGE THORNTON
.052	132.15	.049	129.49	TOWN THORNTON
.038	96.57			CONSOLIDATED ELECTIONS
.013	33.04	.012	31.71	SUBURBAN T B SANITARIUM
.107	271.92	.117	309.19	FOREST PRESERVE DISTRICT OF COOK COUNTY
.379	963.14	.470	1,242.07	COUNTY OF COOK
.324	823.38	.350	924.94	COOK COUNTY HEALTH FACILITIES
10.321	26,228.76	10.423	27,544.76	TOTAL TAX

PCL 9 17

137,012
1.9288
264,269
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WATSON OLDS INC
369 E 147TH ST
HARVEY IL 60426

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FINAL AMOUNT DUE
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HOURS 9AM TO 5PM MONDAY THRU FRIDAY

ESTIMATED AMOUNT DUE

29-09-114-004-0000 20

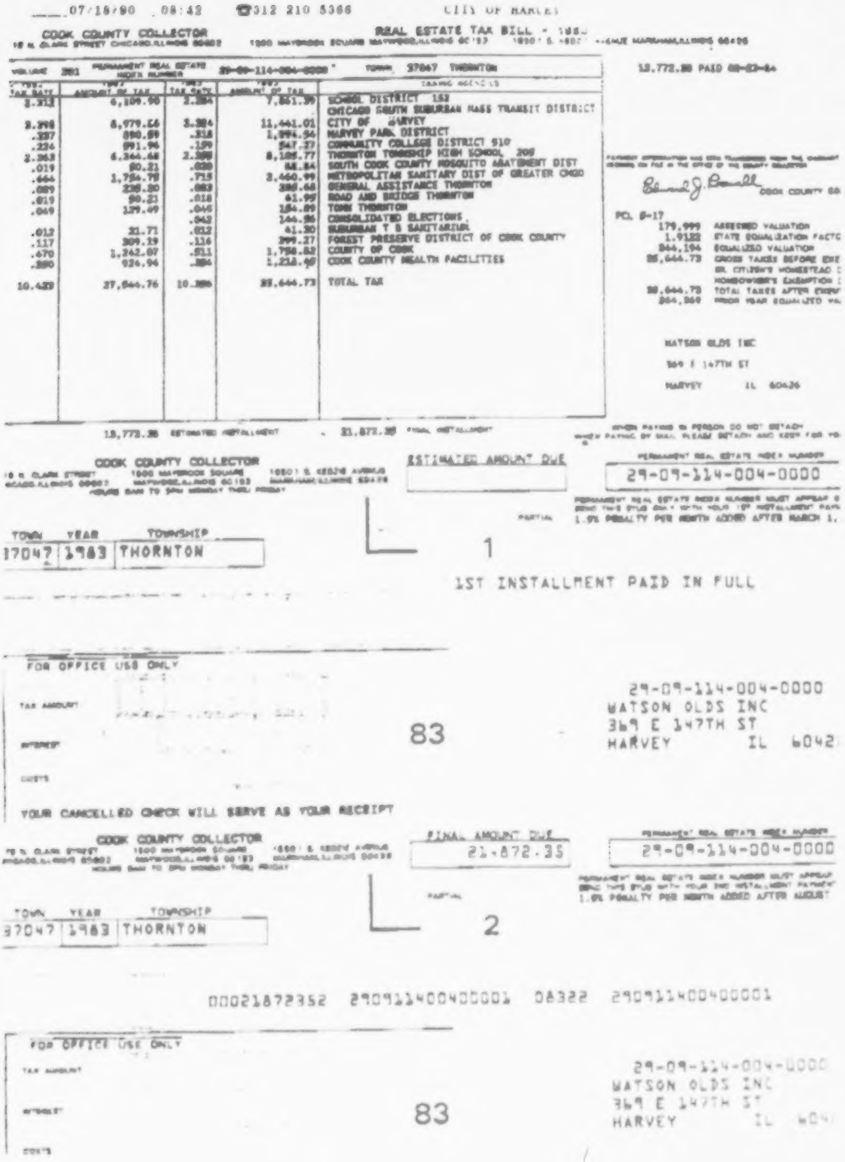
1 1

TOWN YEAR TOWNSHIP
7047 1982 THORNTON

FOR OFFICE USE ONLY

1ST INSTALLMENT PAID IN FULL

29-09-114-004-0000
WATSON OLDS INC



07/18/90 08:42 ☎312 210 5366 CITY OF HARVEY

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO,ILLINOIS 60602 1500 MAYBROOK SQUARE MAYWOOD,ILLINOIS 60153 16501 S. KEDZIE AVENUE MARKHAM,ILLINOIS 60426

REAL ESTATE TAX BILL - 1983

VOLUME 201 PERMANENT REAL ESTATE INDEX NUMBER 29-09-114-004-0000 TOWN 37047 THORNTON

13,772.38 PAID 03-03-84

1982 TAX RATE	1982 AMOUNT OF TAX	1983 TAX RATE	1983 AMOUNT OF TAX	TAXING AGENCIES
2.313	6,109.90	2.384	7,861.39	SCHOOL DISTRICT 152
				CHICAGO SOUTH SUBURBAN MASS TRANSIT DISTRICT
3.398	8,979.66	3.384	11,441.01	CITY OF HARVEY
.337	890.59	.318	1,094.54	HARVEY PARK DISTRICT
.226	591.96	.159	547.27	COMMUNITY COLLEGE DISTRICT 510
2.363	6,244.68	2.388	8,185.77	THORNTON TOWNSHIP HIGH SCHOOL 205
.019	50.21	.020	68.84	SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
.664	1,754.78	.715	2,460.99	METROPOLITAN SANITARY DIST OF GREATER CHGO
.089	235.20	.083	285.68	GENERAL ASSISTANCE THORNTON
.019	50.21	.018	61.95	ROAD AND BRIDGE THORNTON
.049	129.49	.046	154.89	TOWN THORNTON
		.042	144.56	CONSOLIDATED ELECTIONS
.012	31.71	.012	41.30	SUBURBAN T B SANITARIUM
.117	309.19	.116	399.27	FOREST PRESERVE DISTRICT OF COOK COUNTY
.470	1,242.07	.511	1,758.82	COUNTY OF COOK
.350	924.94	.354	1,218.45	COOK COUNTY HEALTH FACILITIES
10.433	27,546.76	10.356	35,644.73	TOTAL TAX

PAYMENT INFORMATION HAS BEEN TRANSFERRED FROM THE ORIGINAL RECORDS ON FILE IN THE OFFICE OF THE COUNTY COLLECTOR

Edward J. Rosewell COOK COUNTY CO

PCL 8-17

179,999	ASSESSED VALUATION
1.9122	STATE EQUALIZATION FACTO
344,194	EQUALIZED VALUATION
35,644.73	GROSS TAXES BEFORE EXE
	SR. CITIZEN'S HOMESTEAD E
	HOMEOWNER'S EXEMPTION E
35,644.73	TOTAL TAXES AFTER EXEM
264,260	PRIOR YEAR EQUALIZED VA

WATSON OLDS INC
369 E 147TH ST
HARVEY IL 60426

13,772.38 ESTIMATED INSTALLMENT 21,872.35 FINAL INSTALLMENT

WHEN PAYING IN PERSON DO NOT DETACH
WHEN PAYING BY MAIL PLEASE DETACH AND KEEP FOR YO

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO,ILLINOIS 60602 1500 MAYBROOK SQUARE MAYWOOD,ILLINOIS 60153 16501 S. KEDZIE AVENUE MARKHAM,ILLINOIS 60426
HOURS 8AM TO 5PM MONDAY THRU FRIDAY

ESTIMATED AMOUNT DUE

PERMANENT REAL ESTATE INDEX NUMBER
29-09-114-004-0000

PERMANENT REAL ESTATE INDEX NUMBER MUST APPEAR O
SEND THIS STUB ONLY WITH YOUR 1ST INSTALLMENT PAYM
PARTIAL 1.5% PENALTY PER MONTH ADDED AFTER MARCH 1,

TOWN	YEAR	TOWNSHIP
37047	1983	THORNTON

1

1ST INSTALLMENT PAID IN FULL

FOR OFFICE USE ONLY
TAX AMOUNT
INTEREST
COSTS

83

29-09-114-004-0000
WATSON OLDS INC
369 E 147TH ST
HARVEY IL 6042

YOUR CANCELLED CHECK WILL SERVE AS YOUR RECEIPT

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO,ILLINOIS 60602 1500 MAYBROOK SQUARE MAYWOOD,ILLINOIS 60153 16501 S. KEDZIE AVENUE MARKHAM,ILLINOIS 60426
HOURS 8AM TO 5PM MONDAY THRU FRIDAY

FINAL AMOUNT DUE
21.872.35

PERMANENT REAL ESTATE INDEX NUMBER
29-09-114-004-0000

PERMANENT REAL ESTATE INDEX NUMBER MUST APPEAR
SEND THIS STUB WITH YOUR 2ND INSTALLMENT PAYMENT
PARTIAL 1.5% PENALTY PER MONTH ADDED AFTER AUGUST

TOWN	YEAR	TOWNSHIP
37047	1983	THORNTON

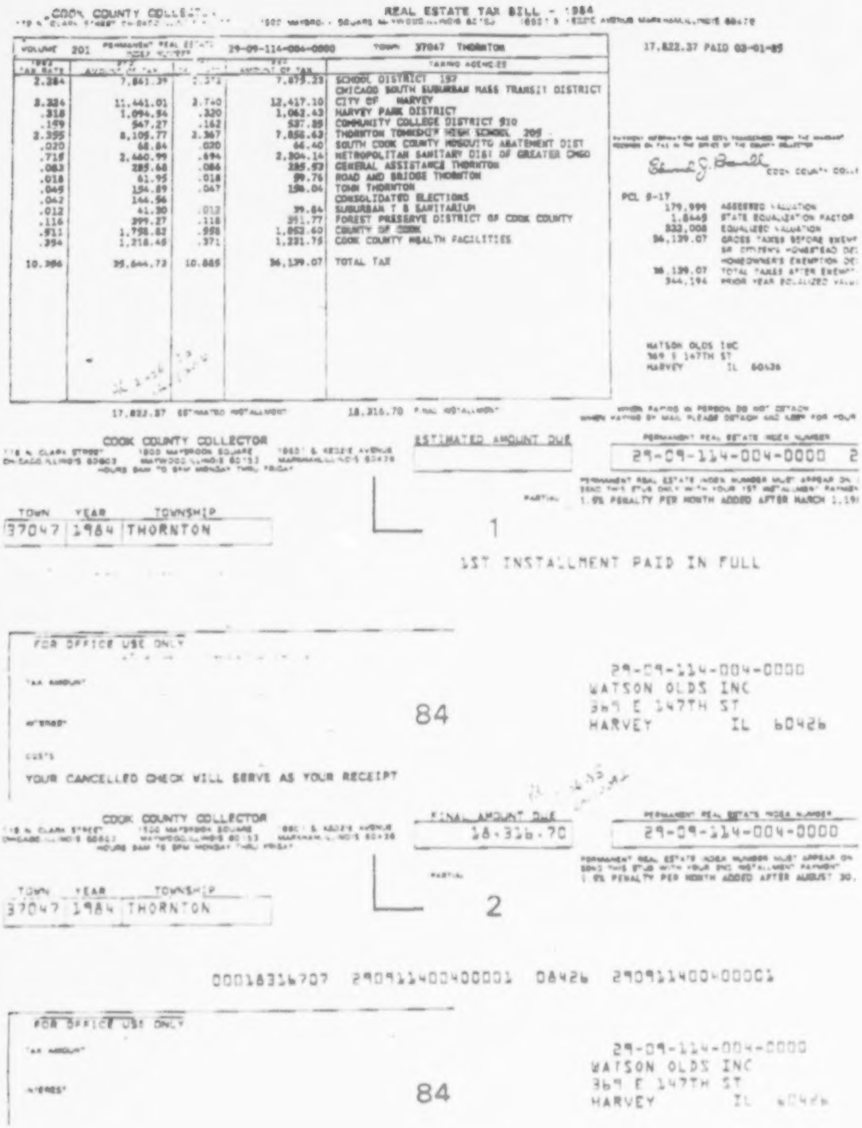
2

00021872352 290911400400001 08322 290911400400001

FOR OFFICE USE ONLY
TAX AMOUNT
INTEREST
COSTS

83

29-09-114-004-0000
WATSON OLDS INC
369 E 147TH ST
HARVEY IL 604



COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO ILLINOIS 60602   1500 MAYBROOK SQUARE MAYWOOD ILLINOIS 60153   16501 S. KEDZIE AVENUE MARKHAM ILLINOIS 60426

REAL ESTATE TAX BILL - 1984

VOLUME 201   PERMANENT REAL ESTATE INDEX NUMBER 29-09-114-004-0000   TOWN 37047 THORNTON

1983 TAX RATE	1983 AMOUNT OF TAX	1984 TAX RATE	1984 AMOUNT OF TAX	TAXING AGENCIES
2.284	7,861.39	2.372	7,875.23	SCHOOL DISTRICT 152
				CHICAGO SOUTH SUBURBAN MASS TRANSIT DISTRICT
3.324	11,441.01	3.740	12,417.10	CITY OF HARVEY
.318	1,094.54	.320	1,062.43	HARVEY PARK DISTRICT
.159	547.27	.162	537.85	COMMUNITY COLLEGE DISTRICT 510
2.355	8,105.77	2.367	7,858.63	THORNTON TOWNSHIP HIGH SCHOOL 205
.020	68.84	.020	66.40	SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
.715	2,460.99	.694	2,304.14	METROPOLITAN SANITARY DIST OF GREATER CHGO
.083	285.68	.086	285.53	GENERAL ASSISTANCE THORNTON
.018	61.95	.018	59.76	ROAD AND BRIDGE THORNTON
.045	154.89	.047	156.04	TOWN THORNTON
.042	144.56			CONSOLIDATED ELECTIONS
.012	41.30	.012	39.84	SUBURBAN T B SANITARIUM
.116	399.27	.118	391.77	FOREST PRESERVE DISTRICT OF COOK COUNTY
.511	1,758.82	.558	1,852.60	COUNTY OF COOK
.354	1,218.45	.371	1,231.75	COOK COUNTY HEALTH FACILITIES
10.356	35,644.73	10.885	36,139.07	TOTAL TAX

17,822.37 ESTIMATED INSTALLMENT   18,316.70 FINAL INSTALLMENT

17,822.37 PAID 03-01-85

PAYMENT INFORMATION HAS BEEN TRANSCRIBED FROM THE ORIGINAL RECORDS ON FILE IN THE OFFICE OF THE COUNTY COLLECTOR

Edward J. Rosewell COOK COUNTY COL

PCL 5-17

179,959	ASSESSED VALUATION
1.8449	STATE EQUALIZATION FACTOR
332,008	EQUALIZED VALUATION
36,139.07	GROSS TAXES BEFORE EXEMP
	SR CITIZENS HOMESTEAD DE
	HOMEOWNER'S EXEMPTION DE
36,139.07	TOTAL TAXES AFTER EXEMPT
344,194	PRIOR YEAR EQUALIZED VALU

WATSON OLDS INC
369 E 147TH ST
HARVEY IL 60426

WHEN PAYING IN PERSON DO NOT DETACH
WHEN PAYING BY MAIL PLEASE DETACH AND KEEP FOR YOUR

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO ILLINOIS 60602   1500 MAYBROOK SQUARE MAYWOOD ILLINOIS 60153   16501 S. KEDZIE AVENUE MARKHAM ILLINOIS 60426
HOURS 8AM TO 5PM MONDAY THRU FRIDAY

ESTIMATED AMOUNT DUE

PERMANENT REAL ESTATE INDEX NUMBER
29-09-114-004-0000 2

PERMANENT REAL ESTATE INDEX NUMBER MUST APPEAR ON
SEND THIS STUB ONLY WITH YOUR 1ST INSTALLMENT PAYMEN
PARTIAL
1.5% PENALTY PER MONTH ADDED AFTER MARCH 1,19

TOWN	YEAR	TOWNSHIP
37047	1984	THORNTON

1

1ST INSTALLMENT PAID IN FULL

FOR OFFICE USE ONLY

TAX AMOUNT

INTEREST

COSTS

84

29-09-114-004-0000
WATSON OLDS INC
369 E 147TH ST
HARVEY IL 60426

YOUR CANCELLED CHECK WILL SERVE AS YOUR RECEIPT

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO ILLINOIS 60602   1500 MAYBROOK SQUARE MAYWOOD ILLINOIS 60153   16501 S. KEDZIE AVENUE MARKHAM ILLINOIS 60426
HOURS 8AM TO 5PM MONDAY THRU FRIDAY

FINAL AMOUNT DUE
18,316.70

PERMANENT REAL ESTATE INDEX NUMBER
29-09-114-004-0000

PERMANENT REAL ESTATE INDEX NUMBER MUST APPEAR ON
SEND THIS STUB WITH YOUR 2ND INSTALLMENT PAYMENT
PARTIAL
1.5% PENALTY PER MONTH ADDED AFTER AUGUST 30,

TOWN	YEAR	TOWNSHIP
37047	1984	THORNTON

2

00018316707 290911400400001 08426 290911400400001

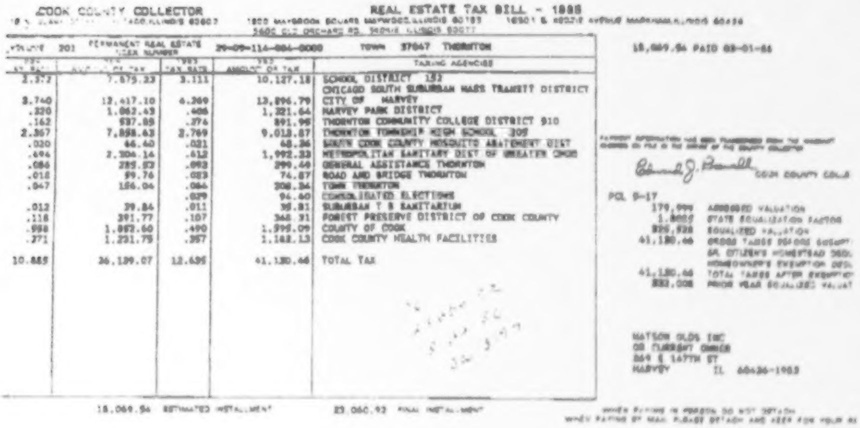
FOR OFFICE USE ONLY

TAX AMOUNT

INTEREST

84

29-09-114-004-0000
WATSON OLDS INC
369 E 147TH ST
HARVEY IL 60426



COOK COUNTY COLLECTOR

REAL ESTATE TAX BILL - 1985

118 N. CLARK STREET CHICAGO, ILLINOIS 60602   1800 MAYBROOK SQUARE MAYWOOD, ILLINOIS 60153   16501 S. KEDZIE AVENUE MARKHAM, ILLINOIS 60426
5600 OLD ORCHARD RD. SKOKIE ILLINOIS 60077

VOLUME 201   PERMANENT REAL ESTATE INDEX NUMBER 29-09-114-004-0000   TOWN 37047 THORNTON

18,069.54 PAID 03-01-86

'84 TAX RATE	'84 AMOUNT OF TAX	'85 TAX RATE	'85 AMOUNT OF TAX	TAXING AGENCIES
3.372	7,875.23	3.111	10,127.18	SCHOOL DISTRICT 152
				CHICAGO SOUTH SUBURBAN MASS TRANSIT DISTRICT
3.740	12,417.10	4.269	13,896.79	CITY OF HARVEY
.320	1,062.43	.406	1,321.64	HARVEY PARK DISTRICT
.162	537.85	.274	891.95	THORNTON COMMUNITY COLLEGE DISTRICT 510
2.367	7,858.63	2.769	9,013.87	THORNTON TOWNSHIP HIGH SCHOOL 205
.020	66.40	.021	68.36	SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
.694	2,304.14	.612	1,992.23	METROPOLITAN SANITARY DIST OF GREATER CHGO
.086	285.53	.092	299.49	GENERAL ASSISTANCE THORNTON
.018	59.76	.023	74.87	ROAD AND BRIDGE THORNTON
.047	156.04	.064	208.34	TOWN THORNTON
		.029	94.40	CONSOLIDATED ELECTIONS
.012	39.84	.011	35.81	SUBURBAN T B SANITARIUM
.118	391.77	.107	348.31	FOREST PRESERVE DISTRICT OF COOK COUNTY
.558	1,852.60	.490	1,595.09	COUNTY OF COOK
.371	1,231.75	.357	1,162.13	COOK COUNTY HEALTH FACILITIES
10.885	36,139.07	12.635	41,130.46	TOTAL TAX

PAYMENT INFORMATION HAS BEEN TRANSFERRED FROM THE WARRANT BOOKS ON FILE IN THE OFFICE OF THE COUNTY COLLECTOR

Edward J. Rosewell COOK COUNTY COLL.

PCL 9-17

179,999	ASSESSED VALUATION
1.8085	STATE EQUALIZATION FACTOR
325,528	EQUALIZED VALUATION
41,130.46	GROSS TAXES BEFORE EXEMPT
	SR. CITIZEN'S HOMESTEAD DEDL
	HOMEOWNER'S EXEMPTION DEDL
41,130.46	TOTAL TAXES AFTER EXEMPTION
332,008	PRIOR YEAR EQUALIZED VALUAT

WATSON OLDS INC
OR CURRENT OWNER
869 E 147TH ST
HARVEY IL 60426-1983

18,069.54 ESTIMATED INSTALLMENT   23,060.92 FINAL INSTALLMENT

WHEN PAYING IN PERSON DO NOT DETACH
WHEN PAYING BY MAIL PLEASE DETACH AND KEEP FOR YOUR RE

CITY OF HARVEY 6009

COOK COUNTY COLLECTOR
118 N. CLARK STREET CHICAGO, ILLINOIS 60602

REAL ESTATE TAX BILL - 1987
1500 MAYBROOK SQUARE MAYWOOD, ILLINOIS 60153 15001 S KEDZIE AVENUE MARKHAM, ILLINOIS 60426
8601 OLD ORCHARD RD. SKOKIE, ILLINOIS 60077

VOLUME 201 PERMANENT REAL ESTATE INDEX NUMBER 29-09-114-004-0000 TOWN 7047 THORNTON

1986 TAX RATE	1986 AMOUNT OF TAX	1987 TAX RATE	1987 AMOUNT OF TAX	TAXING AGENCIES
3.005	11,256.46	3.209	12,144.69	SCHOOL DISTRICT 152
				CHICAGO SOUTH SUBURBAN MASS TRANSIT DISTRICT
4.027	15,084.70	4.430	16,757.81	CITY OF HARVEY
.385	1,442.17	.418	1,581.93	HARVEY PARK DISTRICT
.262	981.42	.309	1,169.41	THORNTON COMMUNITY COLLEGE DISTRICT 510
2.711	10,155.11	2.966	11,225.48	THORNTON TOWNSHIP HIGH SCHOOL 205
.019	71.17	.021	79.47	SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
.635	2,378.64	.517	1,956.59	METROPOLITAN SANITARY DIST OF GREATER CHGO
.079	295.93	.053	200.58	GENERAL ASSISTANCE THORNTON
.019	71.17	.019	71.91	ROAD AND BRIDGE THORNTON
.128	479.47	.152	575.25	TOWN THORNTON
		.028	105.97	CONSOLIDATED ELECTIONS
.010	37.46	.010	37.85	SUBURBAN T B SANITARIUM
.106	397.06	.102	386.02	FOREST PRESERVE DISTRICT OF COOK COUNTY
.504	1,887.93	.547	2,070.11	COUNTY OF COOK
.354	1,326.05	.366	1,385.13	COOK COUNTY HEALTH FACILITIES
12.244	45,864.48	13.157	49,794.85	TOTAL TAX

Ck 21166
3.22.88

22,932.24 ESTIMATED INSTALLMENT 26,862.61 FINAL INSTALLMENT

22,932.24 PAID 03-22-88

PAYMENT INFORMATION HAS BEEN TRANSFERRED FROM THE PAYMENT RECORDS ON FILE IN THE OFFICE OF THE COUNTY COLLECTOR

Edward J. Rosewell COOK COUNTY COLLECTOR

PCL 5-17

200,069	ASSESSED VALUATION
1.8916	STATE EQUALIZATION FACTOR
378,451	EQUALIZED VALUATION
49,794.85	GROSS TAXES BEFORE EXEMPTIONS
	SR CITIZENS HOMESTEAD DEDUCTION
	HOMEOWNER'S EXEMPTION DEDUCTION
49,794.85	TOTAL TAXES AFTER EXEMPTION
374,609	PRIOR YEAR EQUALIZED VALUATION

WATSON OLDS INC
OR CURRENT OWNER
369 E 147TH ST
HARVEY IL 60426-1983

WHEN PAYING IN PERSON DO NOT DETACH
WHEN PAYING BY MAIL PLEASE DETACH AND KEEP FOR YOUR RECORDS

COOK COUNTY COLLECTOR

118 N. CLARK STREET
CHICAGO, ILLINOIS 60602
1500 MAYBROOK SQUARE
MAYWOOD, ILLINOIS 60153

15001 S KEDZIE AVENUE
MARKHAM, ILLINOIS 60426
8601 OLD ORCHARD RD
SKOKIE, ILLINOIS 60077

HOURS 8AM TO 5PM MONDAY THRU FRIDAY

ESTIMATED AMOUNT DUE

PERMANENT REAL ESTATE INDEX NUMBER VOL

29-09-114-004-0000 201

PERMANENT REAL ESTATE INDEX NUMBER MUST APPEAR ON CHECK
SEND THIS STUB ONLY WITH YOUR 1ST INSTALLMENT PAYMENT

PARTIAL

1.5% PENALTY PER MONTH ADDED AFTER MARCH 1,1988

TOWN	YEAR	TOWNSHIP
7047	1987	THORNTON

87 1 1

1ST INSTALLMENT PAID IN FULL

FOR OFFICE USE ONLY

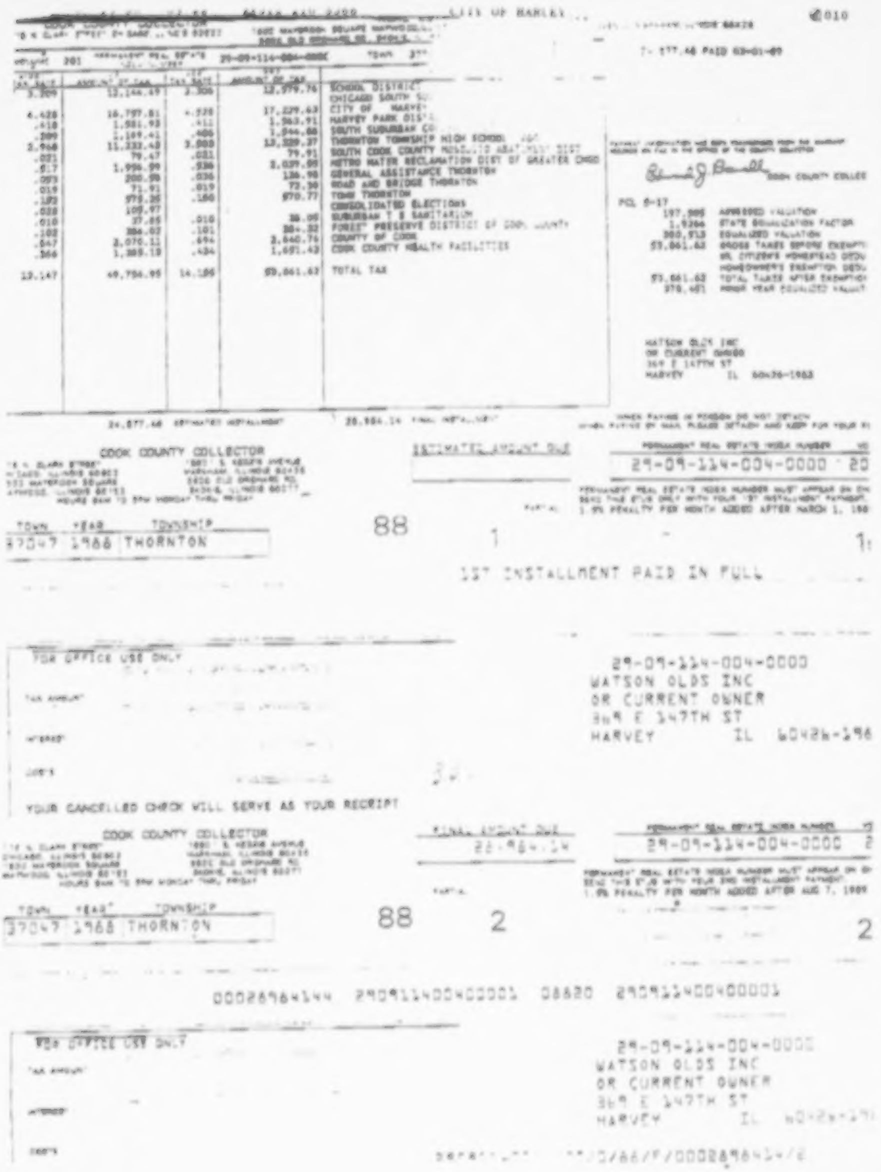
TAX AMOUNT

INTEREST

COSTS

29-09-114-004-0000
WATSON OLDS INC
OR CURRENT OWNER
369 E 147TH ST
HARVEY IL 60426-1983

YOUR CANCELLED CHECK WILL SERVE AS YOUR RECEIPT



COOK COUNTY COLLECTOR

SCHOOL DISTRICT
CHICAGO SOUTH SU
CITY OF HARVEY
HARVEY PARK DIST
SOUTH SUBURBAN CO
THORNTON TOWNSHIP HIGH SCHOOL
SOUTH COOK COUNTY MOSQUITO ABATEMENT DIST
METRO WATER RECLAMATION DIST OF GREATER CHGO
GENERAL ASSISTANCE THORNTON
ROAD AND BRIDGE THORNTON
TOWN THORNTON
CONSOLIDATED ELECTIONS
SUBURBAN T B SANITARIUM
FOREST PRESERVE DISTRICT OF COOK COUNTY
COUNTY OF COOK
COOK COUNTY HEALTH FACILITIES
TOTAL TAX

WATSON OLDS INC
OR CURRENT OWNER
369 E 147TH ST
HARVEY IL 60426-1963

COOK COUNTY COLLECTOR

ESTIMATED AMOUNT DUE

29-09-114-004-0000 20

TOWN YEAR TOWNSHIP
37047 1988 THORNTON

88 1 1

1ST INSTALLMENT PAID IN FULL

FOR OFFICE USE ONLY

29-09-114-004-0000
WATSON OLDS INC
OR CURRENT OWNER
369 E 147TH ST
HARVEY IL 60426-196

YOUR CANCELLED CHECK WILL SERVE AS YOUR RECEIPT

COOK COUNTY COLLECTOR

FINAL AMOUNT DUE
28,984.14

29-09-114-004-0000 2

TOWN YEAR TOWNSHIP
37047 1988 THORNTON

88 2 2

00028984144 290911400400001 08820 290911400400001

FOR OFFICE USE ONLY

29-09-114-004-0000
WATSON OLDS INC
OR CURRENT OWNER
369 E 147TH ST
HARVEY IL 60426-19

011

CITY OF HARVEY 312 210 5300 08 45 07 18 80

ACCT. NO.________ ACCT. NAME________________________________ ________________19______

	100% 82		129% 83	131% 84	149% 85	167% 86	181% 87	196% 88	212% 89
School District 162	6109.90		7861.37	7875.23	10127.18	11266.40	12104.49	11257.61	
HARVEY	8579.86		11144.01	12491.10	13871.77	16009.70	16476.81	17329.63	
Park Dist.	890.57		1094.54	1062.43	1132.64	1442.17	1501.73	1516.71	
So. Sub College 510	691.96		847.27	837.85	891.95	893.42	1109.41	1544.88	
Thorn. Town 205	6244.68		8105.77	7858.63	7013.67	10155.11	11232.43	17329.37	
Mosquito	50.21		60.64	66.40	68.36	71.17	79.47	77.91	
Sanitary	1764.76		2460.79	2304.14	1992.23	2370.64	1965.65	2037.66	
Thornton Gen Asst	235.20		280.60	285.53	277.49	295.73	200.58	136.90	
Thornton Rd & Bridge	50.21		61.95	55.26	74.07	71.17	71.91	72.30	
Thornton Town	129.49		154.05	151.04	208.34	477.47	575.25	570.17	
Sub. T.B. Sanit.	31.71		14.50	39.84	35.01	57.46	57.86	38.05	
Forest Preserve	305.19		399.97	371.77	346.31	397.06	386.02	391.22	
Cook Co.	1242.07		1750.02	1652.60	1596.07	1801.73	2070.11	2640.76	
Cook Co. Health	928.94		1210.45	1231.75	1142.13	1324.04	1360.13	1460.43	
			144.56		94.40		108.77		
Total	22544.76		36644.73	36179.07	41130.46	45664.68	49754.95	53806.62	[illegible] 58320.23 1st 24473.01
Assessed Valuation	137,012		179979	179999	179999	202634	200049	197690	199940
State Equalization	1.7205		1.9122	1.8445	1.8085	1.8486	1.8916	1.9216	
Equalized Valuation	244,269		344194	332008	325528	374589	378450	380613	
Lower Assessed Valuation Ratio (from 40%)						30.32	32%	30.57	30%
Appraised Value	342,500		400000	450000	450000	513000	513000	513000	513000

ADDITION TO THE RECORD

QUESTIONS FOR THE ECONOMIC DEVELOPMENT ADMINISTRATION

1. Please supply a complete listing by regions of Economic Development Representatives (EDR's) giving full name, address, phone number and State or jurisdiction for which the EDR is responsible.

2. Please provide a list of approved projects for fiscal years 1989 and 1990.

3. Please provide a list of university centers funded by EDA, identifying those which are new as well as the Historically Black Colleges and Universities participating in the program.

4. Have some colleges been "graduated" from EDA's university center program? If so, do you know whether they have conducted the same project activities on their own?

5. Please provide a copy of EDA's most recent Notice of Availability of Funds.

ECONOMIC DEVELOPMENT REPRESENTATIVES

State(s)	Representative
ALABAMA	F. Wayne Burnette
ALASKA	Bernhard E. Richert
AMERICAN SAMOA, GUAM, HAWAII, MARSHALL ISLANDS, MICRONESIA, NORTHERN MARIANAS, PALAU	Frank McChesney
ARIZONA	(vacant)
ARKANSAS	(vacant)
CALIFORNIA (Sacramento area counties)	Deena Sosson
CALIFORNIA (Oakland area counties), NEVADA (except Elco, Eureka, Lander, White Pine counties)	William J. Lewis
CALIFORNIA (Los Angeles area counties)	Charles Oaks
COLORADO, KANSAS	John Zender
CONNECTICUT, RHODE ISLAND	Charles N. Hammarlund
DELAWARE, MARYLAND, DISTRICT OF COLUMBIA	Patricia A. Flynn
DISTRICT OF COLUMBIA, DELAWARE, MARYLAND	Patricia A. Flynn
FLORIDA	William J. Day, Jr.
GEORGIA	Lola B. Smith
GUAM, HAWAII, AMERICAN SAMOA, MARSHALL ISLANDS, MICRONESIA, NORTHERN MARIANAS, PALAU	Frank McChesney
HAWAII, GUAM, AMERICAN SAMOA, MARSHALL ISLANDS, MICRONESIA, NORTHERN MARIANAS, PALAU	Frank McChesney
IDAHO, NEVADA (Elco, Eureka, Lander, White Pine counties)	Aldred F. Ames
ILLINOIS	Virginia Ormsby
INDIANA	Robert Sawyer
IOWA	Robert Cecil
KANSAS, COLORADO	John Zender
KENTUCKY	Bobby D. Hunter
LOUISIANA	Pamela Davidson
MAINE	Sandford Blitz
MARSHALL ISLANDS, HAWAII, GUAM, AMERICAN SAMOA, NORTHERN MARIANAS, MICRONESIA, PALAU	Frank McChesney
MARYLAND, DELAWARE, DISTRICT OF COLUMBIA	Patricia A. Flynn
MASSACHUSETTS	William A. Fitzhenry
MICHIGAN	James L. Collison
MICRONESIA, HAWAII, GUAM, AMERICANA SAMOA, NORTHERN MARIANAS, MARSHALL ISLANDS, PALAU	Frank McChesney
MINNESOTA	John B. Arnold, III
MISSISSIPPI	Bob Ainsworth
MISSOURI	Forrest E. Koch
MONTANA	John C. Rogers
NEBRASKA, SOUTH DAKOTA	Warren A. Albertson
NEVADA (except Elco, Eureka, Lander, White Pine counties), CALIFORNIA (Oakland area counties)	William J. Lewis
NEVADA (Elco, Eureka, Lander, White Pine counties), IDAHO	Aldred F. Ames
NEW HAMPSHIRE, VERMONT	Rita V. Potter
NEW JERSEY	Clifford J. Rossignol
NEW MEXICO	James Swearingen
NEW YORK CITY	contact Regional Office
NEW YORK STATE (other than New York City)	Harold J. Marshall
NORTH CAROLINA	Dale L. Jones
NORTH DAKOTA	Cornelius P. Grant
NORTHERN MARIANAS, AMERICAN SAMOA, GUAM, HAWAII, MARSHALL ISLANDS, MICRONESIA, PALAU	Frank McChesney
OHIO	Philip F. Lavelle
OKLAHOMA	Alvin X. Waters
OREGON	Anne S. Berblinger

ECONOMIC DEVELOPMENT REPRESENTATIVES

State(s)	Representative
PALAU, HAWAII, GUAM, AMERICAN SAMOA, NORTHERN MARIANAS, MARSHALL ISLANDS, MICRONESIA	Frank McChesney
PENNSYLVANIA	Anthony M. Pecone
PUERTO RICO, VIRGIN ISLANDS	Arturo Febry
RHODE ISLAND, CONNECTICUT	Charles N. Hammarlund
SOUTH CAROLINA	Patricia M. Dixon
SOUTH DAKOTA, NEBRASKA	Warren A. Albertson
TENNESSEE	Mitchell S. Parks
TEXAS (south)	Roy Ramirez
TEXAS (north)	Norris Willis
UTAH, WYOMING	Jack Ockey
VERMONT, NEW HAMPSHIRE	Rita V. Potter
VIRGIN ISLANDS, PUERTO RICO	Arturo Febry
VIRGINIA	Neal E. Noyes
WASHINGTON	Jay M. Busch
WEST VIRGINIA	R. Byron Davis
WISCONSIN	Jack D. Price
WYOMING, UTAH	Jack Ockey

ECONOMIC DEVELOPMENT REPRESENTATIVES

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Director: Charles Oxley
States covered: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

Representative	State
BURNETTE, F. Wayne Aronov Building, Room 134 474 South Court Street Montgomery, AL 36104 FTS 534-7008 COM (205) 223-7008	Alabama
DAY, William J. Jr. Room G-04 Federal Building 80 N. Hughey Avenue Orlando, FL 32801 FTS 820-6572 COM (407) 648-6572	Florida
SMITH, Lola B. Suite 750 1365 Peachtree Street, NE Atlanta, GA 30309 FTS 257-2857 COM (404) 347-2857	Georgia
HUNTER, Bobby D. Room 209 333 Waller Avenue Lexington, KY 40504 FTS 355-2596 COM (606) 233-2596	Kentucky
AINSWORTH, Bob 221 Federal Building 100 West Capital Street Jackson, MS 39269 FTS 490-4342 COM (601) 965-4342	Mississippi
JONES, Dale L. Century Station, Room 128 300 Fayetteville Street Mall Raleigh, NC 27601 FTS 672-4570 COM (919) 856-4570	North Carolina *mailing address* P.O. Box 2522 Raleigh, NC 27601
DIXON, Patricia M. Strom Thurmond Federal Building, Room 840 1835 Assembly Street Columbia, SC 29201 FTS 677-5676 COM (803) 765-5676	South Carolina
PARKS, Mitchell S. 261 Cumberland Bend Drive Nashville, TN 37228 FTS 852-5911 COM (615) 736-5911	Tennessee

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Director: Hugh Farmer
States covered: Arkansas, Louisiana, New Mexico, Oklahoma, Texas

Representative	State
~~(vacant)~~* Sam Spearman Room 2509 Federal Building 700 West Capitol Little Rock, AR 72201 FTS 740-5637 COM (501) 378-5637	Arkansas
DAVIDSON, Pamela 2027 One American Place 400 5th Street, North Baton Rouge, LA 70825 FTS 687-0227 COM (504) 389-0227	Louisiana
SWEARINGEN, James First Interstate Bank Bldg 150 Washington Avenue Santa Fe, NM 87501 FTS 476-6557 COM (505) 988-6557	New Mexico *mailing address* P.O. Box 2662 Santa Fe, NM 87501
WATERS, Alvin X. Jr. Room 202 Old Post Office Bldg 215 Dean A. McGee Oklahoma City, OK 73102 FTS 736-4197 COM (405) 231-4197	Oklahoma
RAMIREZ, Roy Suite 201, Grant Building 611 East Sixth Street Austin, TX 78701 FTS 770-5118 COM (512) 482-5118	Texas (south)
WILLIS, Norris Suite 201, Grant Building 611 East Sixth Street Austin, TX 78701 FTS 770-5119 COM (512) 482-5119	Texas (north)

~~*Norris Willis, Regional Office, Acting~~
Allyn H. Nielsen (acting)

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Director: Edward G. Jeep
States covered: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

Representative	State
ORMSBY, Virginia 524 South Second Street Room 670 Springfield, IL 62701 FTS 955-4108 COM (217) 492-4108	Illinois (except Cook County)
SAWYER, Robert Room 114 Federal Building Courthouse 46 East Ohio Street Indianapolis, IN 46204 FTS 331-6104 COM (317) 269-6104	Indiana Illinois (Cook County)
COLLISON, James L. 315 West Allegan Street, Room 221 Lansing, MI 48933 FTS 374-1886 COM (517) 377-1886	Michigan
ARNOLD, John B. III 104 Federal Building 515 West First Street Duluth, MN 55802 FTS 780-5326 COM (218) 720-5326	Minnesota
LAVELLE, Philip F. 405 Security Bank Building 8 North Court Athens, OH 45701 FTS none COM (614) 594-3551	Ohio
PRICE, Jack D. 505 South Dewey Street Room 202 Eau Claire, WI 54701 FTS none COM (715) 834-4079	Wisconsin

DENVER REGIONAL OFFICE

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Director: (vacant)
States covered: Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming

Representative	State
ZENDER, John 1244 Speer Boulevard Room 632 Denver, CO 80204 FTS 564-4902 COM (303) 844-4902	Colorado Kansas
CECIL, Robert Room 593A Federal Building 210 Walnut Street Des Moines, IA 50309 COMM (515) 284-4746	Iowa
KOCH, Forrest E. 210 North Tucker Blvd Room 1160 St. Louis, MO 63101 FTS 279-4312 COM (314) 425-4312	Missouri
ROGERS, John C. Federal Building, Room 196 Drawer 10074 Helena, MT 59626 FTS 585-5074 COM (406) 449-5074	Montana
ALBERTSON, Warren A. Federal Building, Room 346 Pierre, SD 57501 FTS none COM (605) 224-8280	Nebraska South Dakota
GRANT, Cornelius P. P.O. Box 1911 Bismarck, ND 58501 FTS 783-4321 COM (701) 255-4011	North Dakota
OCKEY, Jack Room 2414 Federal Building 125 South State Street Salt Lake City, UT 84138 FTS 588-5119 COM (801) 524-5119	Utah Wyoming

ECONOMIC DEVELOPMENT REPRESENTATIVES

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Director: John E. Corrigan
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Representative	State
HAMMARLUND, C. N. Jr. Room 453 Federal Office Building 450 Main Street Hartford, CT 06103 FTS 244-3256 COM (203) 240-3256	Connecticut Rhode Island
FLYNN, Patricia A. 2568 Riva Road, 2nd Floor Annapolis, MD 21401 FTS 922-2513 COM (301) 224-4077	Delaware Maryland District of Columbia
BLITZ, Sandford Room 410D Federal Building 40 Western Avenue Augusta, ME 04330 FTS 833-6271 COM (207) 622-8271	Maine
FITZHENRY, William A. Boston Federal Office Building 10 Causeway Street Room 420 (Box 2) Boston, MA 02222-1036 FTS 835-7235 Com (617) 565-7235	Massachusetts
POTTER, Rita V. Room 319 Federal Office Building 55 Pleasant Street Concord, NH 03301 FTS 834-4624 COM (603) 225-1624	New Hampshire Vermont
ROSSIGNOL, Clifford J. Room 428, Federal Building 402 East State Street Trenton, NJ 08608 FTS 483-2192 COM (609) 989-2192	New Jersey
(vacant)* Room 21-100C Federal Office Building 26 Federal Plaza New York, NY 10278 FTS COM (212) 264-2085	New York City
MARSHALL, Harold J. II Room 1225 Federal Office Building 100 South Clinton Street Syracuse, NY 13260 FTS 950-5203 COM (315) 422-1963	New York State
PECONE, Anthony M. U. S. Post Office Room 406B 301 Market Street Lewisburg, PA 17837 FTS 524-7975 COM (717) 524-7975	Pennsylvania
FEBRY, Arturo Federal Office Building Box 620 Calle Carlos Chardon Hato Rey, PR 00919 FTS 498-5187 COM (809) 766-5187	Puerto Rico Virgin Islands
NOYES, Neal E. 8002 Federal Building 400 North 8th Street Richmond, VA 23240 FTS 925-2061 COM (804) 771-2061	Virginia *mailing address* P.O. Box 10229 Richmond, VA 23240
DAVIS, R. Byron Rose City Press Building Room 305 550 Eagan Street Charleston, WV 25301 FTS 930-5252 COM (304) 347-5252	West Virginia

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Director: John Woodward
States covered: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Marshall Islands, Micronesia, Nevada, Northern Marianas, Oregon, Palau, Washington

Representative	State
RICHERT, Bernhard E., Jr. 605 W. 4th Avenue Room G-80 Anchorage, AK 99501-7594 FTS none COM (907) 271-2272	Alaska
(vacant)* Tony Perot Room 3406 Federal Building 230 N. First Avenue Phoenix, AZ 85025 FTS 261-3750 COM (602) 261-3750	Arizona
SOSSON, Deena 1510 J Street, Suite 150 Sacramento, CA 95814 FTS 460-1541 COM (916) 551-1541	California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Eldorado, Fresno, Glenn, Kings, Lassen, Madera, Mariposa, Merced, Modoc, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, Yuba)
LEWIS, William J. Federal Building Room B-10 1351 Second Street Napa, CA 94559 FTS none COM (707) 252-2033	California (counties of Alameda, Contra Costa, Del Norte, Humboldt, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma), Nevada
OAKS, Charles W. 11000 Wilshire Boulevard Room 11105 Los Angeles, CA 90024 FTS 793-7286 COM (213) 209-7286	California (counties of Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, Ventura)
MCCHESNEY, Frank P.O. Box 50264 Federal Building Honolulu, HI 96850 FTS 551-3391 COM (808) 541-3391 *URGENT MAIL* (Via Airborne Express) Federal Bldg. Room 4106 Honolulu, HI 96850	Hawaii, Guam, American Samoa, Marshall Islands, Micronesia, Palau, Northern Marianas
AMES, Aldred F. Alaska Center, Suite 330 1020 Main Street Boise, ID 83702 FTS 554-1521 COM (208) 334-1521	Idaho, Nevada (counties of Elko, Eureka, Lander, White Pine)
BERBLINGER, Anne S. Federal Building, Room 611 1220 SW Third Avenue Portland, OR 97204 FTS 423-3078 COM (503) 326-3078	Oregon
BUSCH, Jay M. Jackson Federal Building Room 1856 915 Second Avenue Seattle, WA 98174 FTS 399-4740 COM (206) 442-4740	Washington

* Contact Regional Office

ECONOMIC DEVELOPMENT ADMINISTRATION
FY 1989 GRANT APPROVALS

PUBLIC WORKS PROGRAM

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK		THORNE BAY, CITY OF	071103070	500,000	113088A	
AK	1	CORDOVA, CITY OF	070103110	400,000	052689A	N. CONTAINMENT DOCK
AK	1	HOMER, CITY OF	070103099	1,200,000	013089A	DEEP WATER CARGO DOCK
AK	1	SELDOVIA, CITY OF	070103154	431,050	071289A	DOCK REPAIR
AK	1	SITKA, CITY OF	070103172	1,000,000	092489A	COLD STORAGE FACILITY.
AL	4	GARDEN CITY, TOWN OF	040103613	720,000	082189A	SWR SYS:COLL&TRTMNT FAC
AL	4	GORDO WTR/GAS/SWR BD	040103647	355,800	082289A	IMPROV SEWAGE TRTMNT FAC
AL	5	DECATUR/MORGAN PORT AUTH	040103610	1,000,000	062789A	IMPROV ID PK:RAIL,AC RD
AL	5	TUSCUMBIA/UTIL BD	040103654	689,775	092389A	IMP:WTR SYS,SWR SYS,RD
AL	7	LINDEN,CITY/UTIL BD	040103635	810,000	080889A	WTR IMPROV:LINE,TANK,PMP
AL	7	TUSCALOOSA CO COMM	040103618	240,000	082189A	ID PK ACC RD&RR XING IMP
AR		CRITTENDEN COUNTY	08110269980	600,000	092989A	
AR	2	BENTON, CITY OF	080102633	120,000	031789A	WTR/SEWERAGE IMPROVEMNTS
AR	3	DEQUEEN, CITY OF	080102649	393,000	082289A	WATER SYSTEM IMPROVEMENT
AR	3	MADISON CNTY/MADISON CWD	080202636	1,000,000	072489A	REGIONAL WATER SYSTEM
AR	4	DUMAS, CITY OF	080102648	375,000	082289A	INDL PARK IMPROVEMENTS
AR	4	HOPE, CITY OF	080102646	444,000	040489A	INDL SEWER SYS IMPROVMTS
AR	4	MAGNOLIA, CITY OF	080102671	1,500,000	081889A	WATER SYSTEM IMPROVEMNTS
AS	1	AMERICAN SAMOA, GOVT OF	070103111	850,000	091489A	WATERLINES PAGO PAGO HBR
CA	1	FORT BRAGG, CITY OF	070103151	1,046,000	090689A	WATER SYSTEM IMPROVEMENT
CA	1	UKIAH VALLEY SANITATION	070103102	980,000	031489A	SEWER LINE EXTENSION
CA	2	CHICO, CITY OF	070103144	755,000	060869A	CHICO AIRPORT INDUST. PA
CA	2	PARADISE, CITY OF	070103109	481,000	063089A	INDUSTRIAL PARK IMPVMTS
CA	17	CORCORAN, CITY OF	070103114	785,500	063089A	WASTE WATER TREATMENT
CA	17	DELANO, CITY OF	070103088	770,000	110488A	WATER,SEWER,IND RDS
CA	36	RIVERSIDE, CITY OF	070103135	1,000,000	061689A	ROAD, WATER, SEWER
CM	1	CUC & CNMI	070103116	1,200,000	013189A	SAIPAN WATERLINE
CM	1	NORTHERN MARIANAS COLLEG	070103084	100,000	112988A	SAIPAN INCUBATOR BLDG
CO		MONTROSE, CITY OF	050102379	200,000	081489A	
CO	3	DELTA, CITY OF	050102385	600,000	092689A	INDUSTRIAL SITE IMPROVE
CO	3	ROUTT COUNTY	050102395	395,120	092889A	WATER LINES
FL	2	JASPER/HAMILTON CO DEV	040103657	1,100,000	092989A	DEV REG IND P
FL	10	LAKELAND, CITY OF	040103614	620,604	061989A	WTR LINE EXT
FM	1	SOKEHS, MUNICIPALITY OF	070103075	489,000	092089A	SOKEHS IND PARK IMPVMTS
GA	1	LIBERTY CO/IND AUTH	040103633	250,000	091189A	SEWAGE TRTMNT&COLLEC FAC
GA	2	MITCHELL COUNTY	040103658	683,500	092489A	CONST WTR/WASTEWTR SYS
GA	3	BARNESVILLE CITY OF	040103537	840,000	113088A	ADDL WTR SUP/TRTMNT FAC
GA	6	DAVISBORO, CITY OF	040103629	905,195	061689A	WTR SYS IMPROV/SWR SYS
GA	8	SPARTA, CITY OF	040103598	1,180,370	012489A	WTR/SWR SYS IMPROV
IA	1	DES MOINES COUNTY	050102357	134,975	082289A	INDUST. ROAD IMPROVEMENT
IA	5	LENOX AND SIRWA, CITIES OF	050202383	727,325	080289A	EXTEND WATER LINES
ID	1	IDAHO, UNIVERSITY OF	070103145	787,000	092789A	INCUBATOR BUILDING
ID	1	PRIEST RIVER, CITY OF	070103076	583,120	030789A	INDSTRL PARK EXPANSION
ID	1	SHOSHONE COUNTY	070103091	867,000	092989A	INDUSTRIAL WATER PROJECT
ID	2	MONTPELIER, CITY OF	070103093	601,000	092989A	WATER SEWER VISITOR CNTR
IL		MARION, CITY OF	060102343	204,500	120188A	
IL		SALINE VALLEY CONS DIST	061102392	300,000	082889A	
IL	15	CLINTON, CITY OF	060102315	95,000	052389A	SEWER & WTR EXTENSION
IL	15	WATESKA, CITY OF	060102375	464,000	092489A	INDUSTRIAL PARK
IL	19	FAIRFIELD, CITY OF	060102376	1,101,000	042889A	WATER TRANSMISSION LINE
IL	20	CLAYTON CAMP PT WTR COMM	060102378	912,500	092989A	WATER SYSTEM
IL	22	MT VERNON, CITY OF	060102416	625,000	092989A	ROAD & SEWER IMPS

PUBLIC WORKS PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
KS	1	COLBY, CITY OF	050102361	117,177	051289A	WATER, SEWER AND ROADS
KS	1	HAYS, CITY OF	050102358	750,000	052289A	CONSTRUCT SEWER LINE
KS	3	KANSAS CITY, CITY OF	050102317	850,000	122088A	INDUSTRIAL ACCESS ROAD
KS	5	PITTSBURG, CITY OF	050102384	750,000	080889A	INFRASTRUCTURE IMPROVE
KY	1	AUBURN, CITY OF	040103626	700,000	082189A	EXP WTR TRTMNT PLT
KY	1	HANSON,CITY/HOPKINS CO	040103656	787,500	092989A	WTR/SWR:ID PK
KY	1	LIVERMORE, CITY OF	040103597	296,280	12228C9	LIVERMORE IND PARK
KY	2	HAWESVILLE, CITY OF	040103637	790,356	091989A	WATER TREATMENT PLANT
KY	5	COMMWLTH KY/UNIV OF KY	040103638	2,000,000	092989A	RURAL EC DEV CTR:SMERSET
KY	6	WINCHESTER/CLARK CO IND	040103609	750,000	080889A	DEV IND PK INCL WTR STRG
LA	3	TERREBONNE PAR CONS GOVT	080102683	375,000	091089A	PAVING/DRAINAGE IMPRVMNT
LA	4	LOGANSPORT, TOWN OF	080102630	205,500	042089A	LOGANSPORT INDL PK SEWER
LA	5	DELHI, TOWN OF	080102681	862,400	091089A	INDUSTRIAL PARK IMPRVMTS
MD	3	BALTIMORE, CITY OF	010102997	1,000,000	122088A	TECHNOLOGY INCUBATOR BLD
MD	6	HAGERSTOWN, CITY OF	010103015	1,000,000	072889A	HAGERSTOWN BUSINESS PARK
ME	2	EAST MILLINOCKET,TOWN OF	010103014	777,549	061389A	INDL PK (E. MILLINOCKET)
ME	2	PASSAMAQUODDY TRIBE	010103046	836,000	092989A	INDL BLDG
ME	2	RUMFORD, TOWN OF	010103018	703,740	050589A	SWR EXT / INDL PARK DEV
MI	1	FOCUS: HOPE	060102379	3,750,000	092989A	RENOVATE INDUSTRIAL BLDG
MI	9	ALLENDALE CHARTER, TWP OF	060102338	622,000	110488A	WTR, SEWER & ROAD IMP
MI	9	GREENVILLE, CITY OF	060102413	524,000	092489A	ACCESS ROAD
MI	10	ALMA CITY/AID	060102417	172,500	092489A	INDUSTRIAL PARK EXP
MI	11	CASPIAN, CITY OF	060102423	350,000	092989A	SEWER, ROAD AND WTR DEV
MI	11	ELK RAPIDS, VILLAGE OF	060102371	370,000	050489A	WATER SYSTEM IMPRV
MI	11	GOGEBIC CNTY RD COMM	060102411	300,000	092689A	ROAD IMPROVEMENTS
MI	11	IRON MOUNTAIN, CITY OF	060102409	170,700	071889A	SEWER & WATERMAIN EXT
MI	11	L'ANSE, VILLAGE OF	060202382	778,000	092989A	WATER TREATMENT PLT
MN	7	BROWERVILLE, CITY OF	060102370	350,000	060689A	WASTE TREATMENT EXP
MN	7	DETROIT LAKES, CITY OF	060102365	225,000	032989A	INDUSTRIAL PARK EXP
MN	7	LONG PRAIRIE, CITY OF	060102377	323,521	081589A	WASTEWTR TRTMENT PLT EXP
MN	7	PELICAN RAPIDS, CITY OF	060102389	195,000	050489A	WTR, SWR & STREET IMP
MN	8	BAXTER, CITY OF	060102356	318,500	011889A	INDUSTRIAL PARK IMPROV
MN	8	EVELETH, CITY OF	060102351	136,000	072089A	ACCESS ROAD
MO	8	BUTLER COUNTY	050102380	390,000	092489A	IMPROVE INDUSTRIAL ROAD
MO	8	FLAT RIVER, CITY OF	050102367	366,500	092989A	INDUST. ACCESS STREET
MS	1	RIPLEY/TIPPAH CO	040103650	550,000	092989A	CONST WTR,SWR FAC;AC RD
MS	3	CLAY COUNTY	040103603	320,000	071289A	CLAY CO BARGE SLIP
MS	3	NESHOBA CO BD SUPVSRS	040103639	700,000	092689A	IND PK DEV
MS	5	LEAKESVILLE, TOWN OF	040103577	750,000	120888A	WTR SYS IMPROVMENTS
MT	2	WOLF POINT, CITY OF	050102390	200,000	092989A	INDUSTRIAL BUILDING
NC	3	BLADENBORO, TOWN OF	040103631	267,772	082189A	EXT W/S,NAT GAS UTIL
NC	3	ROSEBORO/NC DEPT AGRI	040103663	210,000	092789A	ID CORRIDOR:CONST WTR MA
NC	3	SANFORD, CITY OF	040103608	750,000	041489A	WSTWTR TRTMNT PLT IMPROV
NC	8	RICHMOND COUNTY	040103563	750,000	111088A	WTR/SWR IMPROV:ID AREA
NC	11	CHEROKEE CO/MURPHY,NC	040103561	950,000	111088A	WTR SUP&TRANS STORAG PLT
NC	11	MARSHALL, TOWN OF	040103566	620,000	121288A	WTR/SWR JOB DEV.,EXP
ND	1	ENDERLIN, CITY OF	050102382	569,000	082589A	EXPAND SEWER LAGOONS
ND	1	MOHALL, CITY OF	050102350	135,000	092989A	CONST. INDUSTRIAL BLDG.
ND	1	SAN HAVEN DEVELOP. CORP.	050102351	420,000	030189A	RENOVATE COMPLEX
NE	2	OMAHA SMALL BUS NETWORK	050102347	336,425	042589A	SMALL BUSINESS INCUBATOR
NE	3	LEXINGTON, CITY OF	050102353	750,000	011189A	WASTEWATER TREAT. PLANT
NJ	2	BRIDGETON MUN PORT AUTH	010103058	1,000,000	092989A	MARINE TERMINAL DEV PROJ
NJ	2	MILLVILLE, CITY OF	010103013	775,000	081889A	GORTON ROAD INDUS. PARK
NM	2	CLOUDCROFT, VILLAGE OF	080102696	195,000	090689A	INDUSTRIAL PARK DEVELOP
NM	2	ROSWELL, CITY OF	080102647	600,000	032789A	EAST LOOP ACCESS RD-RIAC

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
NV	2	WINNEMUCCA, CITY OF	070103162	400,000	091089A	WATER STORAGE TANKS
NY	25	VILLAGE OF ST. JOHNSVILL	010102995	200,000	022889A	EXPANSION OF WATER SYSTE
NY	26	CLINTON COUNTY/AREA D CO	010103042	306,600	081489A	AIR IND PARK DEVELOPMENT
NY	26	FULTON COUNTY IDA	010103053	1,000,000	092989A	JOHNSTOWN INDUSTRIAL PAR
NY	29	MCCONNELLSVILLE WATER DI	010103050	545,000	092989A	CONSTRUCT&IMPROVE WATER
NY	29	VILLLAGE WALCOTT/WAYNE C	010103025	1,000,000	061389A	CONST/IMPROVE WATER SYST
NY	34	ERWIN, TOWN OF	010103023	975,000	053089A	SEWER PLANT EXPANSION
NY	34	YATES COUNTY IDA	010103024	765,000	092989A	AQUIRE RENOVATE BLDG. FO
OH	2	HAMILTON CNTY DEV CO	060102358	400,000	060889A	SMALL BUSINESS INCUBATOR
OH	4	ST MARYS, CITY OF	060102344	184,500	110488A	INDUSTRIAL ROADS
OH	5	GENOA, VILLAGE OF	060102354	375,000	031589A	WATER LINE EXTENSION
OH	5	TIFFIN, CITY OF	060102357	318,000	092989A	INDUSTRIAL PARK IMPV
OH	6	CHILLICOTHE, CITY OF	060102387	1,500,000	092489A	WATER SYSTEM
OH	6	VINTON CNTY WTR CO	060202342	310,000	092989A	WTR DISTRIBUTION SYSTEM
OH	7	BELLEFONTAINE, CITY OF	060102393	453,000	040789A	INDUSTRIAL PARK DEV
OH	7	FAYETTE CNTY COMMISSION	060102316	360,000	051989A	EXT OF WATER SYSTEMS
OH	10	HEATH, CITY OF	060102340	447,000	053189A	WATER SYSTEM IMPROV
OH	13	NORWALK, CITY OF	060102414	1,500,000	090689A	WTR TREATMENT PLT IMPS
OH	18	MONROE WATER SYSTEMS	060102281	2,117,000	022889A	WTR SYSTEM EXPANSION
OK	2	ADAIR, TOWN OF	080102682	225,000	090889A	WATER SYSTEM EXPANSION
OK	2	TULSA-ROG PA/CLAREMR IRA	080102645	975,000	063089A	IMPRVMT RIVERVIEW BUS PK
OK	3	POTEAU, CITY OF	080102653	412,200	080189A	RENOVATION OF SEWER LINE
OK	6	CLINTON, CITY OF	080102690	200,000	092789A	IMPROVE SEWER TMT PLANT
OR	1	OREGON COAST AQUARIUM	070103082	800,000	031589A	AQUARIUM WATER LINE
PA	1	PHILADELPHIA, CITY OF	010102954	850,000	011789A	SHUNK ST. SEWER
PA	4	MARION TWP BRD SUPERVISO	010103060	390,000	092489A	WATER SYSTEM EXPANSION
PA	10	RDA POTTER CTY&COUDERSPO	010102991	330,000	050589A	SEWAGE PROJECT
PA	10	S.L.I.B. CO.	010103035	1,000,000	080189A	SCOTT TECHNOLOGY PARK
PA	11	HAZLETON CITY AUTHORITY	010102948	750,000	122988A	HUMBOLDT DAM
PA	21	GREATER ERIE I.D.C.	010103040	990,676	091289A	SUMMIT TWP. IND. PARK
PA	22	CONNELLSVILLE REDEV AUTH	010103037	337,500	063089A	INCUBATOR/MULTI-TENANT B
PA	23	BOROUGH OF BROCKWAY	010103027	516,900	072589A	IND. PK. INFRASTRUCTURE
PA	23	CLEARFIELD FOUNDATION	010103019	1,000,000	083189A	INDL PARK EXP
PR	1	ASA (CAGUAS)	010103036	850,000	092889A	EGG PROCESSING PLANT
PR	1	CAGUAS, MUNICIPALITY OF	010102965	1,000,000	122088A	AGRIC WHOLESALE DISTB
SC	1	RIDGELAND, TOWN OF	040103662	500,000	092989A	WSTWTR TRTMNT PLT
SC	2	ST MATTHEWS, TOWN OF	040103611	540,000	052389A	WSTWTR/WTR SYS UPG/EXP
SC	3	PIEDMONT EDU COMM/TECH C	040103583	180,695	122788A	BLDG RENOV:JOB TRAINING
SC	3	WILLISTON, TOWN OF	040103666	258,000	092489A	WTR SYS:FILT SYS,WELL
SC	6	MARLBORO COUNTY	040103604	966,600	031789A	RAILROAD IMPROV/ENT
SC	6	TIMMONSVILLE, TOWN OF	040103602	219,000	061289A	SWR/WTR IMPROV
SD	1	MADISON, CITY OF	050102348	375,000	011289A	DEVELOP INDUSTRIAL PARK
TN	1	CHURCH HL/KINGSPT/HAWKNS	040103641	500,000	092489A	EXT SAN SWR LNS
TN	2	LOUDON COUNTY	040103642	750,000	092889A	EXT W/S LNS,AC RD:ID SIT
TN	2	TELLICO RESERV DEV AGCY	040103612	506,000	051289A	CONST WTR TANK/WTR LINE
TN	6	CANNON, COUNTY OF	040103617	571,000	073189A	IND BLDG:IND EXP/LOC
TN	8	DOVER, TOWN OF	040103661	650,000	061689A	

PUBLIC WORKS PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
TX	1	GILMER, CITY OF	080102638	276,000	062689A	INDUSTRIAL PARK SEWERAGE
TX	1	PITTSBURG, CITY OF	080102642	1,350,000	040489A	WATER SYSTEM IMPROVEMNTS
TX	2	NEWTON COUNTY	080102643	120,000	063089A	INDUSTRIAL ACCESS ROAD
TX	2	WOODVILLE, CITY OF	080102637	780,000	032989A	SAN SWR TYLER COUNTY IP
TX	6	HILLSBORO, CITY OF	080102673	310,000	090689A	SANITARY SEWER IMPRVMNTS
TX	11	GATESVILLE, CITY OF	080102639	1,134,000	061289A	WATER & SEWER EXT/IMPROV
TX	11	TEMPLE, CITY OF	080102651	680,000	080489A	SEWER & STREET IMPRDVMNT
TX	11	WACO, CITY OF	080102688	500,000	092889A	CONSTRUCT INDL ACCESS RD
TX	13	ROARING SPRINGS, CITY OF	080102670	219,500	082989A	WATER SYSTEM IMPROVEMNTS
TX	15	INGLESIDE, CITY OF	080102624	1,480,000	060889A	WTR/WASTEWATER IMPRVMNTS
TX	15	MCALLEN, CITY OF	080102652	1,129,000	063089A	DEV INDUSTRIAL SITE
TX	15	ROMA, CITY OF	080102674	255,000	091089A	WATER & SEWER SYSTEMS
TX	16	EL PASO COMM COLLGE DIST	080102697	1,250,000	092989A	ADVANCED TECHNOLOGY CTR
TX	17	ABILENE, CITY OF	080102632	164,000	063089A	INDUSTRIAL ACCESS ROAD
TX	17	ABILENE/ABILENE EDC, INC	080102672	189,000	092989A	BUSINESS INCUBATOR BLDG
TX	21	DEL RIO, CITY OF	080102641	329,000	063089A	RECONST INDL ACCESS ROAD
TX	21	PRESIDIO, CITY OF	080102689	1,040,000	082989A	WATER SYSTEM IMPROVEMENT
TX	23	ASHERTON, CITY OF	080102640	282,000	040489A	WATER SYSTEM IMPROVMNTS
TX	23	LAREDO, CITY OF	080102654	696,000	063089A	CONSTR TRUCK ROUTE IMPRV
TX	23	SAN ANTONIO, CITY OF	080102687	830,217	090689A	STREET/DRAINAGE IMPROVMT
TX	27	BROWNSVILLE, CITY OF	080102634	675,000	042489A	CONSTRUCT MFG FACILITY
TX	27	CORPUS CHRISTI, CITY OF	080102627	430,000	031589A	UTILITY EXT TO INDL SITE
TX	27	HARLINGEN, CITY OF	080102655	1,750,000	071389A	IMPROVE WASTEWTR TMT PLT
VA	4	BLACKSTONE, TOWN OF	010103010	552,000	052389A	BLACKSTONE INDL PK EXP
VA	4	BRODNAX, TOWN OF	010103017	525,000	031689A	SANITARY SEWER SYSTEM
VA	4	BRUNSWICK COUNTY	010103007	190,000	032989A	BRUNSWICK COUNTY INDL PK
VA	5	MECKLENBURG COUNTY	010103043	400,000	082289A	ROUTE 722 EXPANSION
WA	2	ARLINGTON, CITY OF	070103164	635,000	091189A	AIRPORT INDL PARK INFRAS
WA	3	RAYMOND, CITY OF	070103092	553,000	032289A	WASTE TREATMENT-INDUSTRL
WA	4	YAKIMA, COUNTY OF	070103156	290,690	082989A	INFRASTRUCTURE-SUN DOME
WI	3	BARRON, CITY OF	060102361	374,000	060889A	WATER SYSTEM IMP/HWY IMP
WI	3	BOSCOBEL, CITY OF	060102353	491,000	110488A	INDUSTRIAL PARK IMPRV
WI	3	FENNIMORE, CITY OF	060102398	337,000	060889A	INDUSTRIAL PARK IMP
WI	3	MUSCODA, CITY OF	060102410	160,000	092989A	INDUSTRIAL PARK DEV
WI	6	TWO RIVERS, CITY OF	060102321	850,850	022789A	INDUSTRIAL PARK
WI	7	LADYSMITH, CITY OF	060102418	910,000	092689A	REVOVATE IND COMPLEX
WI	8	GILLETT, CITY OF	060102360	403,500	122788A	WATER STORAGE FAC
WI	8	LUXEMBURG, VILLAGE OF	060102383	363,000	042589A	WATER SYSTEM IMPS
WV	1	PENNSBORO IND PK DEV AUT	010103011	237,000	031689A	INDL PARK EXP (10 ACRES)
WV	2	ALDERSON BROADDUS COLLEG	010103030	432,000	082889A	HIGH TECH CENTER
WV	3	SOUTH PUTNAM PSD	010102971	1,000,000	091589A	RESERVOIR
WY	1	RIVERTON, CITY OF	050102356	325,000	040489A	IMPV'TS. TO IND. ROAD

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK	1	ALASKA, STATE OF	072503129	200,000	050989A	STATE INITL PLANNING GRT
AK	1	BRISTOL BAY NATIVE ASSN	07051503768	60,000	060889A	INDIAN CONT PLANNING GRT
AK	1	KENAI PENINSULA BOROUGH	07051508668	60,000	051689A	AREA CONT PLANNING GRT
AK	1	KODIAK AREA NATIVE ASSN	07051505668	56,000	020689A	INDIAN CONT PLANNING GRT
AK	1	NORTHWEST ARCTIC BOROUGH	070515088	70,000	031489A	AREA INITL PLANNING GRT
AK	1	TANANA CHIEFS CONFERENCE	07051503868	55,000	020289A	INDIAN CONT PLANNING GRT
AK	1	TLINGIT & HAIDA INDIANS	07051503268	60,000	010489A	INDIAN CONT PLANNING GRT
AL	1	AL TOMBIGBEE REG COMM	04051107968	57,000	030389A	DSTRCT SUPPL PLNG GRT
AL	1	SOUTH ALABAMA RPC	04051114068	50,000	060889A	DSTRCT SUPPL PLNG GRT
AL	2	S CENTRAL AL DEV COMM	04051103268	60,000	030389A	DSTRCT SUPPL PLNG GRT
AL	2	SE AL REG P&DC	04051103168	57,000	030389A	DSTRCT SUPPL PLNG GRT
AL	3	EAST AL PL&DEV COMM	04051114768	50,000	060889A	DIST SUPPL PLNG GRANT
AL	5	N CENTRAL AL REG COMM	04051115068	50,000	060689A	DIST SUPPL PLNG GRANT
AL	5	TOP OF ALABAMA REG COG	04051108468	50,000	062189A	DSTRCT SUPPL PLNG GRT
AL	7	WEST ALABAMA EDD	04051114868	50,000	060889A	DSTRCT PLNG GRT
AR	1	EAST ARKANSAS P&DD	08051103268	61,000	061989A	DISTRICT CONT PLNG GRANT
AR	1	WHITE RIVER P&DD	08051102768	62,000	061989A	DISTRICT CONT PLNG GRANT
AR	2	CENTRAL ARKANSAS PDD	08051103968	55,000	061989A	DISTRICT CONT PLNG GRANT
AR	3	NORTHWEST ARKANSAS EDD	08051103068	59,000	031089A	DISTRICT CONT PLNG GRANT
AR	3	WESTERN ARKANSAS PDD	08051101668	60,000	061589A	DISTRICT CONT PLNG GRANT
AR	4	SOUTHEAST ARKANSAS EDD	08051101868	65,000	061989A	DISTRICT CONT PLNG GRANT
AR	4	SOUTHWEST ARKANSAS P&DD	08051103368	60,000	061589A	DISTRICT CONT PLNG GRANT
AR	4	WEST CENTRAL ARKANSAS PD	08051102668	65,000	031089A	DISTRICT CONT PLNG GRANT
AS	1	AMERICAN SAMOA, GOVT OF	07051500968	40,000	011389A	AREA CONT PLANNING GRANT
AZ	1	ARIZONA, STATE OF	072503131	125,000	052489A	STATE INITL PLANNING GRT
AZ	1	INDIAN DEVEL DSTRT OF AZ	07051507768	100,000	051589A	INDIAN CONT PLANNING GRT
AZ	2	GUECHAN INDIAN TRIBE	07051504468	33,000	122988A	INDIAN CONT PLANNING GRT
AZ	4	WHITE MT APACHE TRIBE	07051504568	35,000	122988A	INDIAN CONT PLANNING GRT
CA	2	SUPERIOR CA DEV COUNCIL	07051106868	65,000	020289A	DSTRCT CONT PLANNING GRT
CA	2	TRI-COUNTY ECON DEV CORP	07051107668	70,000	060689A	DSTRCT CONT PLANNING GRT
CA	3	DEPT HOUSING & COMM DEVE	07051508468	114,000	010589A	INDIAN CONT PLANNING GRT
CA	7	RICHMOND, CITY OF	072503176	200,000	092789A	URBAN PLANNING GRANT
CA	14	SIERRA ECON DEV DISTRICT	07051101268	75,000	031489A	DSTRCT CONT PLANNING GRT
CA	14	STOCKTON, CITY OF	072503127	75,000	051289A	URBAN INITL PLANNING GRT
CA	15	MERCED, COUNTY OF	07250287401	100,000	092989A	URBAN PLANNING GRANT
CA	16	MONTEREY, COUNTY OF	072503174	75,000	092089A	URBAN PLANNING GRANT
CA	17	FRESNO, COUNTY OF	072503177	75,000	092689A	UBRAN PLANNING GRANT
CA	18	CENT SIERRA EC DEV DIST	07051104968	56,000	050489A	DSTRCT CONT PLANNING GRT
CA	21	OXNARD, CITY OF	072503128	135,000	051689A	URBAN INITL PLANNING GRT
CA	45	IMPERIAL, COUNTY OF	07051508168	45,000	062189A	AREA CONT PLANNING GRT
CO	3	REGION 10 EDD COLORADO	05051112768	50,000	062289A	DSTRCT SUPPL PLANNG GRT
CO	3	SAN LUIS VALLEY RD & PC	05051112868	55,000	010589A	DSTRCT SUPPL PLANNG GRT
CO	3	SOUTHERN COLORADO EDD	05051103468	60,000	011189A	DSTRCT SUPPL PLANNG GRT
CO	3	SOUTHERN UTE INDIAN TR	05051500668	40,000	031589A	INDIAN SUPPL PLANNG GRT
CO	3	UTE MOUNTAIN UTE TRIBE	05051505168	40,000	062389A	INDIAN SUPPL PLANNG GRT
CO	4	ADAMS COUNTY OF	052502309	78,000	042789A	CITY SOCIAL PLNG GRANT
FL	2	APALACHEE REG PLNG CNCL	04051112868	51,000	022489A	DSTRCT SUPPL PLNG GRANT
FL	2	FLORIDA STATE OF	042503622	140,000	050489A	COMM SPACE PROGRAM
FL	6	N CNTRL FL REG PL CNCL	04051111868	51,000	031489A	DSTRCT SUPPL PL GRT
FL	10	CENTRAL FL REG PLNG	04051113968	50,000	041389A	DSTRCT SUPPL PL GRT
FL	16	SEMINOLE TRIBE OF FL	04051502568	50,000	022489A	INDIAN SUPPL PLNG GRT
FL	17	MICCOSUKEE INDIANS	04051502668	35,000	022489A	INDIAN SUPPL PL GRT

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
GA	1	COASTAL APDC	04051102168	60,000	060889A	DSTRCT SUPPL PLNG GRT
GA	2	ALBANY, CITY OF	042503620	42,000	050389A	CITY PROC PLNG GRANT
GA	2	SOUTH GA APDC	04051100568	60,000	121588A	DSTRCT SUPPL PLNG GRT
GA	2	SOUTHWEST GA APDC	04051102268	54,000	121588A	DSTRCT SUPPL PLNG GRT
GA	3	LWR CHATTAHOOCHEE APDC	04051103068	52,000	121588A	DSTRCT SUPPL PLNG GRT
GA	3	MCINTOSH TRAIL APDC	04051109668	51,000	040789A	DSTRCT SUPPL PL GRT
GA	3	MIDDLE FLINT APDC	04051100368	54,000	121588A	DIST RENWL PLAADM GRT
GA	6	CHATTAHOOCHEE-FLINT APDC	04051102568	51,000	060889A	DSTRCT SUPPL PL GRT
GA	7	COOSA VALLEY APDC	04051109468	51,000	022489A	DSTRCT SUPPL PLNG GRT
GA	8	ALTAMAHA GA SOU APDC	04051113268	51,000	121588A	DSTRCT SUPPL PL GRT
GA	8	HEART OF GA APDC	04051100868	54,000	022489A	DSTRCT SUPPL PL GRT
GA	8	MIDDLE GA APDC	04051113468	51,000	022489A	DSTRCT SUPPL PLNG GRT
GA	8	OCONEE APDC	04051101068	54,000	022489A	DSTRCT SUPPL PLNG GRT
GA	8	SOUTHEAST GA APDC	04051100668	54,000	121588A	DSTRCT SUPPL PLNG GRT
GA	9	GA MTNS APDC	04051100765	60,000	022489A	DSTRCT SUPPL PLNG GRT
GA	9	N GA APDC	04051108568	51,000	022489A	DSTRCT SUPPL PLNG GRT
GA	10	CNTRL SAVANNAH RVR APDC	04051101668	60,000	031789A	DSTRCT SUPPL PL GRT
GA	10	NE GA APDC	04051101168	52,000	022489A	DSTRCT SUPPL PLNG GRT
GU	1	GUAM, GOVT OF	07051507568	44,000	012689A	AREA PLANNING GRANT
HI	1	PACIFIC BASIN DEV CNCL	07051508268	71,000	081689A	AREA CONT PLANNING GRT
IA	1	AREA XV REG PLNG COMM	05051108268	55,000	062289A	DSTRCT SUPPL PLANNG GRT
IA	1	SOUTHEAST IOWA (XVI) RPC	05051109368	50,000	031589A	DSTRCT SUPPL PLANNG GRT
IA	2	EAST CENTRAL IOWA IG ASN	05051111868	50,000	011089A	DSTRCT SUPPL PLANNG GRT
IA	2	UPPER EXPLORERLAND RPC	05051112568	50,000	062289A	DSTRCT SUPPL PLANNG GRT
IA	5	SOUTHERN IOWA COG, INC	05051108368	60,000	030989A	DSTRCT SUPPL PLANNG GRT
IA	6	N.W. IOWA PDC	050511144	21,000	031469A	DISTRICT 301(B) PLANNING
IA	6	NW IOWA PDC	05051111468	38,000	070589A	DISTRICT 301(B) PLANNING
IA	6	SIOUXLAND INTRSTATE MPCO	05051113068	50,000	011389A	DSTRCT SUPPL PLANNG GRT
ID	1	CLEARWATER ECON DEV ASSN	07051100868	65,000	031789A	DSTRCT CONT PLANNING GRT
ID	1	COUER D'ALENE TRIBE	07051502568	35,000	010689A	INDIAN CONT PLANNING GRT
ID	1	IDA-ORE PLAN & DEV ASSN	07051100568	75,000	031789A	DSTRCT CONT PLANNING GRT
ID	1	IDAHO, STATE OF	072503130	115,000	051689A	STATE INITL PLANNING GRT
ID	1	NEZ PERCE TRIBE OF IDAHO	07051502468	25,000	030889A	INDIAN CONT PLANNING GRT
ID	1	PANHANDLE AREA COUNCIL	07051104168	62,000	071289A	DSTRCT CONT PLANNING GRT
ID	2	EAST CENTRAL IDA P & DA	07051104568	61,000	031789A	DSTRCT CONT PLANNING GRT
ID	2	REGION IV DEV ASSN INC	07051105668	60,000	031789A	DSTRCT CONT PLANNING GRT
ID	2	SE IDAHO COUNCIL OF GOVT	07051104468	63,000	031789A	DSTRCT SUPPL PLANNING GR
ID	2	SHOSHONE-BANNOCK TRIBES	07051502368	38,000	010489A	INDIAN CONT PLANNING GRT
IL	17	BI STATE METRO PLAN COMN	06051106268	57,000	073189A	PLG CONTINUATION GRANT
IL	19	GREATER WABASH RPDC	06051108168	46,000	053089A	PLG CONTINUATION GRANT
IL	20	ILLINOIS STATE OF	062502426	70,000	100190A	STATE PLG GRANT
IL	21	SOUTHWESTERN IL METRO	06051107268	60,000	053089A	PLG CONTINUATION GRANT
IL	22	GREATER EGYPT RPC	06051100768	60,000	072589A	PLG CONTINUATION GRANT
IL	22	SO EASTERN RPDC	06051101268	46,000	072589A	PLG CONTINUATION GRANT
IL	22	SOUTHERN FIVE RPDC	06051108068	55,000	121388A	PLG CONTINUATION GRANT
IN	4	REGION 3A	06051108868	50,000	042589A	PLG CONTINUATION GRANT
IN	5	KANKAKEE-IROQUOIS RPC	06051109868	42,000	051889A	DIST INITL PLAN GRT
IN	7	IND WEST CENT EDD INC	06051101968	50,000	053089A	PLANNING GRANT
IN	8	SOUTHERN INDIANA DEV CMN	06051106668	50,000	063089A	PLG CONTINUATION GRANT
IN	9	INDIANA 15 RPC	06051105368	55,000	062289A	DISTRICT CONT PLG GRANT
IN	9	RIVER HILLS RPC	06051107768	46,000	121388A	DIST CONT PLANNING GRANT
IN	9	SOUTHEASTERN IN RPC	06051107668	46,000	042589A	PLG CONTINUATION GRANT
IN	10	INDIANA STATE OF	062502407	125,000	063089A	STATE PLANNING GRANT

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
KS	1	GREAT PLAINS DEV., INC.	05051112468	50,000	071989A	DSTRCT SUPPL PLANNG GRT
KS	1	NORTH CENTRAL RPC	05051113168	50,000	040589A	DSTRCT SUPPL PLANNG GRT
KS	1	NORTHWEST KANSAS P&D CMN	05051109468	50,000	010589A	DSTRCT SUPPL PLANNG GRT
KS	4	SOUTH CENTRAL KS EDD INC	05051107768	60,000	010589A	DSTRCT SUPPL PLANNG GRT
KS	5	SOUTHEAST KANSAS RPC	05051109568	50,000	071989A	DSTRCT PROF SERV GRT
KY	6	KENTUCKY STATE OF	042503624	107,000	050389A	PLNG ASST:EC DIV
KY	6	KY DEPT LCL GOVT	04051110860	675,000	050489A	DIST RNEWL PL & ADM GRT
LA	3	SOUTH CENTRAL PLANNING	08051107868	50,000	122288A	DISTRICT CONT PLNG GRANT
LA	4	COORDINATING & DEV. CORP	08051103568	57,000	122288A	DISTRICT CONT PLNG GRANT
LA	5	NORTH DELTA REG P/D	08051103768	60,000	011189A	DISTRICT CONT PLNG GRANT
LA	6	CAPITAL REG PLAN COMM	08051103668	54,000	090789A	DISTRICT CONT PLNG GRANT
LA	7	EVANGELINE EDD	08051102968	56,000	011189A	DISTRICT CONT PLNG GRANT
LA	7	IMPERIAL CALCASIEU R P/D	08051109568	50,000	122288A	DISTRICT CONT PLNG GRANT
LA	7	LAFAYETTE, CITY OF	082502666	50,000	063089A	URBAN INITL PLANNING GRT
LA	8	ALEXANDRIA, CITY OF	082502669	78,000	062989A	URBAN INITL PLANNING GRT
LA	8	KISATCHIE-DELTA REG PDD	08051103168	54,000	122288A	DISTRICT CONT PLNG GRANT
MA	6	MERRIMACK VALLEY RPC	01051111368	50,000	071489A	PLG CONTINUATION GRANT
MA	10	SOUTHEASTERN RP&EDD	01051101868	60,000	032789A	PLG CONTINUATION GRANT
MA	11	OLD COLONY PLANNING CNCL	01051109468	50,000	022289A	PLG CONTINUATION GRANT
MD	3	CITY OF BALTIMORE	012503061	100,000	090789A	302(A) URBAN PLANNING AS
MD	6	TRI CNTY CNCL W MD	01051107668	50,000	033189A	PLG CONTINUATION GRANT
ME	1	NORTH KENNEBEC RPC	01051112868	45,000	032889A	PLG CONTINUATION GRANT
ME	2	ANDROSCOGGIN VALLEY RPC	01051108068	66,000	032289A	PLG CONTINUATION GRANT
ME	2	EASTERN MAINE DEV DIST	01051101768	71,000	032289A	PLG CONTINUATION GRANT
ME	2	NORTHERN MAINE RPC	01051106468	60,000	032889A	PLG CONTINUATION GRANT
ME	2	PASSAMAQUODDY TRIBE	01051505768	70,000	032389A	PLG CONTINUATION GRANT
MI	3	MICHIGAN STATE OF	062502399	110,000	082589A	STATE INITL PLG GRT
MI	3	S CENTRAL MI PLAN COMN	06051106468	50,000	071289A	PLG CONTINUATION GRANT
MI	4	SOUTHWESTERN MI RPC	06051106568	50,000	010389A	PLG CONTINUATION GRANT
MI	5	WEST MICHIGAN RDC	06051105468	51,000	042889A	PLG CONTINUATION GRANT
MI	6	TRI-CNTY REG PLG COMM	06051109468	55,000	062189A	PLG CONTINUATION GRANT
MI	8	EAST CENTRAL PDRC	06051101768	55,000	040789A	DISTRICT CONT PLG GRT
MI	9	WEST MICHIGAN SHORELINE	06051105268	50,000	121588A	DISTRICT CONTINUATION PL
MI	11	CENTRAL UPPER PENINSULA	06051102068	64,000	042589A	DIST CONT PLG GRANT
MI	11	EASTERN UPPER PENINSULA	06051101768	60,000	063089A	DISTRICT CONTINUATION P
MI	11	NE MICH CNCL OF GOVTS	06051101568	50,000	042589A	PLG CONTINUATION GRANT
MI	11	WESTERN UPPER PENINSULA	06051101868	64,000	121388A	PLG CONTINUATION GRANT
MN	2	MID-MINNESOTA DEV COM.	06051108568	50,000	041889A	PLG CONTINUATION GRANT
MN	2	SOUTHWEST REG DEV COMN	06051109568	50,000	062189A	CONT PLANNING GRANT
MN	2	UPPER MINN VALLEY RDC	06051109768	50,000	063089A	DISTRICT INITL PLG GRT
MN	7	HEADWATERS REG DEV COMN	06051105068	54,000	121388A	SERIOUS LONG-TERM ECONOM
MN	7	NORTHWEST RDC	06051106368	50,000	121388A	PLANNING GRANT
MN	7	REGION 5 REG DEV COMN	06051106068	50,000	121388A	DISTRICT CONTINUATION PL
MN	8	ARROWHEAD REG DEV COMN	06051100268	70,000	080289A	PLG CONTINUATION GRANT
MN	8	EAST CENTRAL MN RDC	06051108768	50,000	051889A	PLG CONTINUATION GRANT
MN	8	MN CHIPPEWA TRIBE	06051505268	174,000	122288A	DISTRICT CONTINUATION PL

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
MO	4	LAKE OF THE OZARKS C/LG	05051111768	50,000	062389A	DSTRCT SUPPL PLANNG GRT
MO	5	CITY OF KANSAS CITY, MO	052502400	106,000	091989A	CITY 302(A) PLANNING GRA
MO	6	GREEN HILLS RPC	05051107568	50,000	011189A	DSTRCT SUPPL PLANNG GRT
MO	6	MO-KAN REGIONAL COUNCIL	050511142	38,000	062789A	301(B) PLANNING GRANT
MO	6	NORTHWEST MISSOURI RCG	05051113268	50,000	041989A	DSTRCT SUPPL PLANNG GRT
MO	8	BOOTHEEL RPC & EDC	05051101668	55,000	122788A	DSTRCT SUPPL PLANNG GRT
MO	6	MERAMEC RPC	05051100068	60,000	121388A	DSTRCT SUPPL PLANNG GRT
MO	8	OZARK FOOTHILLS RPC	05051100868	55,000	031789A	DSTRCT SUPPL PLANNG GRT
MO	6	SE MISSOURI RPC & EDC	05051100668	60,000	010489A	DSTRCT SUPPL PLANNG GRT
MO	8	SO CEN OZARK COG	05051100268	55,000	011189A	DSTRCT SUPPL PLANNG GRT
MO	9	MARK TWAIN REG ADVR COMM	05051109668	50,000	072589A	DSTRCT SUPPL PLANNS GRT
MO	9	NORTHEAST MISSOURI RPC	05051109768	50,000	122188A	DSTRCT SUPPL PLANNG GRT
MS	1	NORTHEAST MS P&DD	04051113068	47,000	060889A	DSTRCT SUPPL PLNG GRT
MS	1	THREE RIVERS P&DD	04051113668	50,000	020889A	DSTRCT SUPPL PLNG GRT
MS	2	NORTH CENTRAL MS P&DD	04051102968	57,000	060889A	DSTRCT SUPPL PLNG GRT
MS	2	NORTH DELTA P&DD	04051102768	58,000	030389A	DSTRCT SUPPL PLNG GRT
MS	2	SOUTH DELTA P&DD	04051102068	60,000	031389A	DSTRCT SUPPL PLNG GRT
MS	3	CHOCTAW INDIANS MS BAND	04051502868	35,000	062189A	INDIAN SUPPL PLNG GRT
MS	3	E CENTRAL P&DD	04051102668	60,000	060889A	DSTRCT SUPPL PLNG GRT
MS	3	GOLDEN TRIANGLE P&DD	04051114568	50,000	062189A	DSTRCT SUPPL PLNG GRT
MS	4	CENTRAL MS P&DD	04051102868	57,000	010489A	DSTRCT SUPPL PLNG GRT
MS	4	MISSISSIPPI STATE OF	042503623	200,000	050389A	ESTAB EC DEV PL&POL PRO
MS	4	SW MS P&DD	04051109368	60,000	012089A	DSTRCT SUPPL PLNG GRT
MS	5	SOUTHERN MS P DD	04051101368	96,000	122188A	DSTRCT SUPPL PLNG GRT
MT	1	BLACKFEET TRBL BUS CNCL	05051506568	50,000	031789A	INDIAN SUPPL PLANNG GRT
MT	1	SALISH & KOOTENAI TRIBES	05051500468	50,000	062389A	INDIAN SUPPL PLANNG GRT
MT	2	ASSINIBOINE & SIOUX TRBS	05051500368	50,000	031589A	INDIAN SUPPL PLANNG GRT
MT	2	BEAR PAW DEV CORP/NO MT	05051100368	55,000	011389A	DSTRCT SUPPL PLANNG GRT
MT	2	CHIPPEWA CREE TRIBE	05051506868	35,000	062389A	INDIAN SUPPL PLANNG GRT
MT	2	FORT BELKNAP IND CMUNITY	05051506768	35,000	062989A	INDIAN SUPPL PLANNG GRT
MT	2	NORTHERN CHEYENNE TRIBE	05051507168	35,000	010489A	INDIAN SUPPL PLANNG GRT
NC	1	ALBEMARLE COMMISSION	04051104668	54,000	033189A	DSTRCT SUPPL PLNG GRT
NC	1	MID-EAST COMMISSION	04051104168	53,000	062189A	DSTRCT SUPPL PLNG GRT
NC	1	NEUSE RIVER COG	04051103968	55,000	062189A	DSTRCT SUPPL PLNG GRT
NC	2	KERR-TAR REG COG	04051107868	53,000	121988A	DSTRCT SUPPL PLNG GRT
NC	3	SOUTHEASTERN NC EDD	04051103868	52,000	062189A	DSTRCT SUPPL PLNG GRT
NC	10	REGION D CNCL OF GOVTS	04051109968	50,000	012089A	DSTRCT SUPPL PLNG GRT
NC	11	CHEROKEE IND /EASTERN BD	04051500368	50,000	022489A	INDIAN SUPPL PLNG GRT
NC	11	LAND OF SKY REG CNCL	04051114968	50,000	062189A	CONT DIST PLNG GRT
NC	11	SOUTHWESTERN NC EDD	04051113768	50,000	030789A	DSTRCT SUPPL PLNG GRT
ND	1	DEVILS LAKE SIOUX TRIBE	05051505468	35,000	062289A	INDIAN SUPPL PLANNG GRT
ND	1	LAKE AGASSIZ REG COUNCIL	05051107968	55,000	122288A	DSTRCT SUPPL PLANNG GRT
ND	1	LEWIS & CLARK 1805 RCD	05051108168	55,000	122888A	DSTRCT SUPPL PLANNG GRT
ND	1	NORTH CENT PLAN COUN ND	05051111968	50,000	011089A	DSTRCT SUPPL PLANNG GRT
ND	1	ROOSEVELT-CUSTER RCD	05051113468	50,000	121388A	DSTRCT SUPPL PLANNG GRT
ND	1	SOURIS BASIN PLNG COUNCL	05051109868	50,000	122189A	DSTRCT SUPPL PLANNG GRT
ND	1	SOUTH CENTRAL DAKOTA RC	05051109968	50,000	053089A	DSTRCT SUPPL PLANNG GRT
ND	1	STANDING ROCK SIOUX TRB	05051507268	50,000	031789A	INDIAN SUPPL PLANNG GRT
ND	1	TURTLE MT BD OF CHIPPEWA	05051505768	50,000	010489A	INDIAN SUPPL PLANNG GRT
NE	1	RIVER COUNTRY EDD	05051113368	50,000	062289A	DSTRCT SUPPL PLANNG GRT
NE	3	NORTHEAST NEBRASKA EDD	05051113768	50,000	062389A	DSTRCT CONT PLANNG GRT
NE	3	PANHANDLE AREA DD	05051114168	50,000	062789A	DSTRCT INITL PLANNG GRT
NE	3	WEST CENTRL NEBRASKA EDD	05051111668	50,000	041989A	DSTRCT SUPPL PLANNG GRT
NH	2	NORTH COUNTRY COUNCIL	01051107268	45,000	123088A	PLG CONTINUATION GRANT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
NJ	1	CITY OF CAMDEN, NJ	012503005	100,000	051689A	URBAN PLANNING GRANT
NJ	2	SOUTHERN NEW JERSEY EDD	01051109868	48,000	032289A	PLG CONTINUATION GRANT
NJ	8	CITY OF PATERSON, NJ	012503031	94,000	051689A	INITIAL URBAN 302 PLAN
NM	1	MID RIO GRANDE COG	08051108068	35,000	031089A	DISTRICT CONT PLNG GRANT
NM	2	EASTERN PLAINS COG	08051109868	50,000	031089A	DISTRICT CONT PLNG GRANT
NM	2	SOUTHEASTERN NM EDD	08051104568	57,000	011189A	DISTRICT CONT PLNG GRANT
NM	2	SOUTHWEST NM COG	08051109668	45,000	011189A	DISTRICT CONT PLNG GRANT
NM	3	ACOMA PUEBLO	08051502668	35,000	061989A	INDIAN CONT PLANNING GRT
NM	3	EIGHT NO. INDIAN PUEBLOS	08051502568	60,000	031089A	INDIAN CONT PLNG GRANT
NM	3	NEW MEXICO, STATE OF	08250266401	150,000	092789A	STATE CONT PLANNING GRT
NM	3	NORTH CENTRAL NM EDD	08051102868	60,000	031089A	DISTRICT CONT PLNG GRANT
NM	3	NORTHWEST NEW MEXICO COG	080515036	37,500	030989A	INITIAL AREA PLAN GRANT
NM	3	NORTHWEST NEW MEXICO COG	08051503668	50,000	061589A	CONT AREA PLANNING GRANT
NM	3	ZUNI PUEBLO	08051501068	50,000	061589A	INDIAN CONT PLNG GRANT
NV	2	WESTERN NV DEVEL DSTRCT	07051106268	87,000	051789A	DSTRCT CONT PLANNING GRT
NY	23	CAPITAL DISTRICT RPC	01051111868	50,000	061589A	INITIAL 301B PLNNG GRNT
NY	24	HUDSON VALLEY EDD	01051111568	50,000	060989A	PLG CONTINUATION GRANT
NY	24	LKS CHAMPLAIN GEORGE RPB	01051107368	59,000	020189A	PLG CONTINUATION GRANT
NY	26	MOHAWK VALLEY EDD	01051101468	70,000	012789A	PLG CONTINUATION GRANT
NY	26	SAINT REGIS MOHAWK TRIBE	01051505268	35,000	123088A	PLG CONTINUATION GRANT
NY	27	CENTRAL NEW YORK RPB	01051110868	50,000	020189A	PLG CONTINUATION GRANT
NY	28	SOUTHERN TIER EAST	01051109768	50,000	122188A	PLG CONTINUATION GRANT
NY	29	GENESEE FINGER LAKES	01051108568	63,000	122088A	PLG CONTINUATION GRANT
NY	34	SENECA NATION OF INDIANS	01051505368	50,000	032289A	PLG CONTINUATION GRANT
NY	34	SOUTHERN TIER CENTRAL	01051107068	50,000	031689A	PLG CONTINUATION GRANT
NY	34	SOUTHERN TIER WEST	01051106268	50,000	122388A	PLG CONTINUATION GRANT
OH	3	DAYTON CITY OF	062502403	93,000	072089A	URBAN INITIAL PLG GRT
OH	6	OHIO VALLEY RES DEV COMN	06051100168	55,000	121388A	DISTRICT CONTINUATION PL
OH	10	BUCKEYE HILLS RDD	06051100668	59,000	062289A	PLG CONTINUATION GRANT
OH	10	OH MIDEASTERN GOVT ASSN	06051105668	55,000	121388A	DISTRICT CONTINUATION PL
OH	14	NEFCO	06051107368	55,000	040789A	PLG CONTINUATION GRANT
OH	20	CLEVELAND CITY OF	062502435	200,000	092989A	URBAN PLANNING GRANT
OK	1	TULSA, CITY OF	082502692	75,000	091089A	URBAN INITL PLANNING GRT
OK	2	EASTERN OKLA DEV DIST	08051101468	62,000	061589A	DISTRICT CONT PLNG GRANT
OK	2	GRAND GATEWAY E.D. ASSOC	08051100368	66,000	061989A	DSTRCT CONT PLANING GRT
OK	2	INTER-TRIBAL COUNCIL INC	08051503368	75,000	031089A	INDIAN CONT PLNG GRANT
OK	3	KIAMICHI EDD OF OKLA	08051101268	60,000	061589A	DISTRICT CONT PLNG GRANT
OK	3	SOUTHERN OKLA DEV ASSN	08051100268	63,000	061989A	DSTRCT CONT PLANING GRT
OK	4	ASSOC SO CENT OK GOVT	08051104068	56,000	031089A	DISTRICT CONT PLNG GRANT
OK	4	C.O.E.D.D.	08051100668	58,000	061589A	DISTRICT CONT PLNG GRANT
OK	6	NO OKLA DEV ASSN	08051109368	44,000	031089A	DISTRICT CONT PLNG GRANT
OK	6	SOUTHWSTRN OKLA DEV AUTH	08051107768	50,000	031089A	DISTRICT CONT PLNG GRANT
OR	1	SILETZ INDIAN TRIBES	07051507968	37,000	051589A	INDIAN CONT PLANNING GRT
OR	2	CENTRAL OREGON INTERGOVT	07051105768	56,000	032789A	DSTRCT CONT PLANNING GRT
OR	2	EAST CENTRAL OREGON ASSN	07051104268	60,000	031689A	DSTRCT CONT PLANNING GRT
OR	2	MID-COLUMBIA EDD	07051100468	64,000	032489A	DSTRCT CONT PLANNING GRT
OR	2	NE OREGON ECON DEV DISTR	070511079	50,000	062689A	INITIAL PLANNING GRANT
OR	2	UMATILLA INDIAN RESERV	07051502868	39,000	031789A	INDIAN CONT PLANNING GRT
OR	2	WARM SPRINGS RESERVATION	07051508568	40,000	050589A	INDIAN CONT PLANNING GRT
OR	4	CCD BUSINESS DEVEL CORP	07051101428	5,000	070389A	SUPPLEMENTAL PLANNING GT
OR	4	CCD BUSINESS DEVEL CORP	07051101468	57,000	011089A	DSTRCT CONT PLANNING GRT
OR	4	SPRINGFIELD, CITY OF	072503180	90,000	092190A	URBAN INITL PLANNING GRT
OR	5	MID WILLAMETTE VALLEYCOG	07051107068	48,000	061989A	DSTRCT CONT PLANNING GRT
OR	5	OREGON DISTRICT 4 COG	07051105868	91,000	061589A	DSTRCT CONT PLANNING GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
PA	9	SOUTHERN ALLEGHENIES	01051101068	50,000	041189A	PLG CONTINUATION GRANT
PA	10	NORTHERN TIER RPDC	01051100368	50,000	123088A	PLG CONTINUATION GRANT
PA	11	EDC OF NORTHEASTERN PA	01051100868	64,000	121388A	PLG CONTINUATION GRANT
PA	17	SEDA COG	01051109568	50,000	123088A	PLG CONTINUATION GRANT
PA	22	FAYETTE CNTY DEV COUNCIL	01051501868	40,000	121388A	PLG CONTINUATION GRANT
PA	23	NORTH CENTRAL PA RPDC	01051106768	50,000	050389A	PLG CONTINUATION GRANT
PA	23	NORTHWEST PA RPDC	01051110668	50,000	022289A	PLG CONTINUATION GRANT
PR	1	CITY OF SAN JUAN	01250306221	30,000	092989A	302A URBAN PLANNING ASSI
PR	1	CITY OF SAN JUAN	012503062	129,000	092089A	302A URBAN PLANNING ASSI
PR	1	COMMONWEALTH OF P. R.	01051507021	30,000	092989A	TERRITORY 301(B) PL GR
PR	1	COMMONWEALTH OF P. R.	01051507068	45,000	061589A	TERRITORY 301(B) PL GR
SC	1	B-C-D REG PLNG COUNCIL	04051110068	50,000	121588A	DSTRCT SUPPL PLNG GRT
SC	1	LOW COUNTRY COG	04051107768	53,000	121588A	DSTRCT SUPPL PLNG GRANT
SC	2	CNTRL MIDLANDS REG PLNG	04051113168	48,000	030389A	DSTRCT SUPPL PLNG GRT
SC	2	COLUMBIA CITY OF	042503670	125,000	092889A	CITY 302(A) PLNG GRANT
SC	2	SOUTH CAROLINA STATE OF	04250366021	60,000	092989A	ASSESS HURICANE DAMAGE
SC	2	SOUTH CAROLINA STATE OF	042503660	100,000	082989A	ST PLNG GRT:CORN BELT
SC	3	LOWER SAVANNAH COG	04051102468	54,000	121688A	DSTRCT SUPPL PLNG GRT
SC	3	UPPER SAVANNAH COG	04051101768	54,000	121588A	DSTRCT SUPPL PLNG GRT
SC	4	SC APPALACHIAN COG	04051113568	48,000	121588A	DSTRCT SUPPL PLNG GRT
SC	5	CATAWBA REG PLNG CNCL	04051109868	50,000	010489A	DSTRCT SUPPL PLNG GRT
SC	5	SANTEE-LYNCHES	04051107568	54,000	010589A	DSTRCT SUPPL PLNG GRT
SC	6	PEE DEE REGIONAL COG	04051101868	54,000	121588A	DSTRCT SUPPL PLNG GRT
SC	6	WACCAMAW REG PLNG&DEV CN	04051103468	54,000	121588A	DSTRCT SUPPL PLNG GRT
SD	1	FIRST DISTRICT A/L GOV	05051107668	55,000	010589A	DSTRCT SUPPL PLANNG GRT
SD	1	NORTHEAST COUNCL OF GVTS	05051109268	50,000	121388A	DSTRCT SUPPL PLANNG GRT
SD	1	SISSETON-WAHPETON SIOUX	05051501168	35,000	062389A	INDIAN SUPPL PLANNG GRT
SD	1	THIRD PLNG & DEV DISTRCT	05051110068	55,000	121388A	DSTRCT SUPPL PLANNG GRT
SD	2	BLACK HILLS CNCL/LOC GOV	05051108468	55,000	011089A	DSTRCT SUPPL PLANNG GRT
SD	2	CHEYENNE RIVER SIOUX TR	05051500968	50,000	062389A	INDIAN SUPPL PLANNG GRT
SD	2	LOWER BRULE SIOUX TRIBE	05051505268	40,000	062289A	INDIAN SUPPL PLANNG GRT
SD	2	OGLALA SIOUX TRIBE	05051506968	50,000	010589A	INDIAN SUPPL PLANNG GRT
SD	2	YANKTON SIOUX TRIBE	05051501568	40,000	062289A	INDIAN SUPPL PLANNG GRT
TN	1	FIRST TN DEV DIST	04051100968	52,000	062189A	DSTRCT SUPPL PLNG GRT
TN	2	E TN DEV DIST	04051102368	57,000	121588A	DSTRCT SUPPL PLNG GRT
TN	3	M L KING BLVD COMM DEV	04051503268	36,000	032789A	AREA CONT PLANNING GRT
TN	3	SOUTHEAST TENNESSEE	04051108868	51,000	121688A	DSTRCT SUPPL PLNG GRT
TN	5	GTR NASHVILLE REG CNCL	04051103368	60,000	062189A	DSTRCT SUPPL PLNG GRT
TN	5	TENNESSEE STATE OF	042503659	60,000	091089A	STATE EC DEV PLNG GRT
TN	6	SOUTH CNTRL TENN DEV	04051108668	55,000	062189A	DSTRCT SUPPL PLNG GRT
TN	6	UPPER CUMBERLAND	04051109768	55,000	121588A	DSTRCT SUPPL PLNG GRT
TN	8	MEMPHIS DELTA DEV DIST	04051113868	50,000	062189A	DSTRCT SUPPL PLNG GRT
TN	8	NW TN DEV DIST	04051112968	51,000	062189A	DSTRCT SUPPL PLNG GRT
TN	8	SOUTHWEST TENNESSEE	04051109568	54,000	062189A	DSTRCT SUPPL PLNG GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
TX	1	NORTHEAST TEXAS EDD	08051102568	58,000	010389A	DISTRICT CONT PLNG GRANT
TX	2	DEEP EAST TX COG & EDD	08051102168	50,000	031089A	DISTRICT CONT PLNG GRANT
TX	4	TEXOMA COUNCIL OF GOVTS	08051104668	47,000	031089A	DISTRICT CONT PLNG GRANT
TX	6	BRAZOS VALLEY DEV CNSL	08051102068	46,000	031089A	DISTRICT CONT PLNG GRANT
TX	7	GULF COAST EDD, INC.	08051503568	75,000	061589A	AREA CONT PLANNING GRT
TX	9	TEXAS CITY, THE CITY OF	082502693	127,000	090889A	URBAN INITIAL PLAN GRANT
TX	10	CAPITAL AREA PLNG CNCL	08051503468	50,000	011189A	AREA CONT PLNG GRANT
TX	10	TEXAS, STATE OF	082502665	100,000	063089A	STATE INITL PLANNING GRT
TX	11	CENTRAL TEXAS EDD	08051101768	69,000	122288A	DISTRICT CONT PLNG GRANT
TX	13	PANHANDLE REG PLG COMM	08051107968	44,000	031089A	DISTRICT CONT PLNG GRANT
TX	15	COASTAL BEND COG	08051107568	47,000	031089A	DISTRICT CONT PLNG GRANT
TX	15	LOWER RIO GRANDE VAL DC	08051102268	60,000	031089A	DISTRICT CONT PLNG GRANT
TX	16	EL PASO, CITY OF	082502667	89,000	081589A	URBAN INITL PLANNING GRT
TX	16	WEST TEXAS ECON DEV DIST	080515038	49,000	041089A	AREA INITL PLANNING GRT
TX	17	WEST CENTRAL TEXAS EDDC	080515037	37,500	031089A	INITIAL AREA PLAN GRANT
TX	17	WEST CENTRAL TEXAS EDDC	08051503768	50,000	061989A	CONT AREA PLANNING GRANT
TX	19	SOUTH PLAINS ASSOC GOVT	08051109968	50,000	061589A	DISTRICT CONT PLNG GRANT
TX	20	ALAMO AREA COG	08051108168	50,000	061989A	DSTRCT CONT PLANING GRT
TX	23	MIDDLE RIO GRANDE DEV CO	08051104368	54,000	122288A	DSTRCT CONT PLANING GRT
TX	23	SOUTH TEXAS DEVL CNSL	08051104468	45,000	031089A	DISTRICT CONT PLNG GRANT
UT	1	FIVE COUNTY UTAH EDD	05051113568	50,000	031789A	DSTRCT SUPPL PLANNG GRT
UT	2	UTAH, STATE OF	052502308	120,000	052289A	STATE 302(A) PLNG GRANT
UT	3	MOUNTAINLAND EDD	05051110168	50,000	012589A	DSTRCT SUPPL PLANNG GRT
UT	3	SIX COUNTY EDD	05051103868	50,000	042589A	DSTRCT SUPPL PLANNG GRT
UT	3	SOUTHEASTERN UTAH EDD	05051104168	50,000	041989A	DSTRCT SUPPL PLANNG GRT
UT	3	UINTAH BASIN EDD	05051114068	50,000	062389A	DSTRCT SUPPL PLANNG GRT
VA	4	CRATER PDC	01051111768	50,000	062189A	INITIAL PLANNING GRANT
VA	5	PIEDMONT PDC	01051102268	50,000	062189A	PLG CONTINUATION GRANT
VA	5	SOUTHSIDE PDC	01051105068	54,000	032889A	PLG CONTINUATION GRANT
VA	6	CENTRAL SHENANDOAH PDC	01051112768	45,000	011089A	PLG CONTINUATION GRANT
VA	6	SOUTHWEST VA CDF	01051506368	45,000	032289A	PLG CONTINUATION GRANT
VA	7	RADCO PDC	01051110368	50,000	062129A	PLG CONTINUATION GRANT
VA	9	CUMBERLAND PLATEAU PDC	01051102368	50,000	121388A	PLG CONTINUATION GRANT
VA	9	LENOWISCO PDC	01051101368	58,000	121388A	PLG CONTINUATION GRANT
VA	9	MT ROGERS PDC	01051109668	50,000	012089A	PLG CONTINUATION GRANT
VI	1	U. S. VIRGIN ISLANDS	01051507121	100,000	092989A	TERRITORY 301(B) PLAN GR
VI	1	U. S. VIRGIN ISLANDS	01051507168	45,000	090689A	TERRITORY 301(B) PLAN GR
VT	1	EDC OF NORTHERN VERMONT	01051107168	50,000	031789A	PLG CONTINUATION GRANT
VT	1	SO. VT. DEV. COUNCIL, IN	01051108168	50,000	011189A	PLG CONTINUATION GRANT
WA	1	CENTRAL PUGET SOUND EDD	07051101368	113,000	032789A	DSTRCT CONT PLANNING GRT
WA	2	LUMMI TRIBE OF INDIANS	07051502768	40,000	010689A	INDIAN CONT PLANNING GRT
WA	2	MAKAH INDIAN TRIBE	07051503368	40,000	122988A	INDIAN CONT PLANNING GRT
WA	2	PENINSULA DEVEL ASSN	07051107368	45,000	050389A	DSTRCT CONT PLANNING GRT
WA	2	QUILEUTE INDIAN TRIBE	07051501968	35,000	031789A	INDIAN CONT PLANNING GRT
WA	2	SWINOMISH INDIAN TRIBE	07051502168	42,000	031789A	INDIAN CONT PLANNING GRT
WA	2	TULALIP TRIBES	07051503968	42,000	010389A	INDIAN CONT PLANNING GRT
WA	3	QUINAULT INDIAN NATION	07051503068	42,000	041089A	INDIAN CONT PLANNING GRT
WA	4	BENTON-FRANKLIN GOV CONF	07051106168	58,000	040489A	DSTRCT CONT PLANNING GRT
WA	4	BIG BEND COUNCIL & EDD	07051106068	55,000	031789A	DSTRCT CONT PLANNING GRT
WA	4	KITTITAS-YAKIMA RC & EDD	07051105968	60,000	040489A	DSTRCT CONT PLANNING GRT
WA	4	YAKIMA NATION, TRIBES OF	07051503468	25,000	031789A	INDIAN CONT PLANNING GRT
WA	5	COLVILLE INDIAN TRIBE	07051502968	48,000	010489A	INDIAN CONT PLANNING GRT
WA	5	PALOUSE ECON DEV COUNCIL	07051107768	50,000	060789A	DISTRICT PLANNING GRANT
WA	5	SPOKANE TRIBE OF INDIANS	07051501468	30,000	010369A	INDIAN CONT PLANNING GRT
WA	5	TRICO ECON DEV DISTRICT	07051101168	60,000	031789A	DSTRCT CONT PLANNING GRT
WA	6	MUCKLESHOOT INDIAN TRIBE	07051507868	45,000	051589A	INDIAN CONT PLANNING GRT
WA	6	PUGET SOUND ASSN CO TRB	07051506368	42,000	010489A	INDIAN CONT PLANNING GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
WI	2	WISCONSIN DEPT OF DEV	062502427	200,000	092989A	STATE INIT PLANNING GRAN
WI	3	MISS RIVER RPC	06051106168	50,000	050889A	PLG CONTINUATION GRANT
WI	3	SOUTHWESTERN WI RPC	06051109368	46,000	072589A	PLG CONTINUATION GRANT
WI	6	E CENTRAL WIS	06051108248	50,000	121688A	PLG CONTINUATION GRANT
WI	7	NO CENTRAL REG PLAN COMN	06051107868	50,000	072589A	PLG CONTINUATION GRANT
WI	7	NWEST REG PLAN COMN	06051102268	53,000	121388A	DISTRICT CONT PLG GRT
WI	7	WEST CENTRAL WIS RPC	06051107168	50,000	121388A	PLG CONTINUATION GRANT
WI	8	BAYLAKE REG PLAN COMN	06051105968	50,000	121388A	PLG CONTINUATION GRANT
WI	8	GREAT LAKES INTERTRIBAL	06051500668	126,000	122288A	DISTRICT CONTINUATION PL
WV	1	BEL-O-MAR REG COUNCIL 10	01051111668	45,000	061289A	PLG CONTINUATION GRANT
WV	1	BHJ METRO PLANNING COMM	01051506968	40,000	061589A	INITIAL AREA PLNNG ASST
WV	1	MID-OHIO VALLEY RPDC	01051107868	50,000	032289A	PLG CONTINUATION GRANT
WV	1	REGION VI PDC	01051107468	50,000	061489A	PLG CONTINUATION GRANT
WV	2	EAST PANHNDL RPDC	01051109968	50,000	031089A	PLG CONTINUATION GRANT
WV	2	REG 7 PDC	01051107568	50,000	032289A	PLG CONTINUATION GRANT
WV	2	REG 8 PDC	01051105268	55,000	061489A	PLG CONTINUATION GRANT
WV	3	BCKP REG INTERGOVT CNCL	01051106368	55,000	061589A	PLG CONTINUATION GRANT
WV	3	REG 4 PDC	01051107768	50,000	061289A	PLG CONTINUATION GRANT
WV	4	REG 1 PDC	01051106568	48,000	060889A	PLG CONTINUATION GRANT
WV	4	REGION II PDC	01051111968	50,000	062189A	301B PLANNING GRANT
WY	1	LINCOLN-UINTA ASSN/GOVTS	05051113868	40,000	042189A	DSTRCT CONT PLANNG GRT
WY	1	SHOSHONE TRIBE-W. RVR.	05051507368	35,000	042489A	INDIAN CONT PLANNG GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK	1	KODIAK AREA NATIVE ASSN	070603122	20,000	090689A	FEAS/S SCALLOP MARKETING
AK	1	SE ALASKA, UNIV. OF	070603157	100,000	082389A	UV CTR UNIV OF ALASKA SE
AL	3	AUBURN UNIVERSITY	04060347002	57,000	032889A	EC T/A CTR:MGMT&T/A
AL	7	UNIVERSITY OF AL	040603645	24,000	062389A	DEV ENTRE INCBATR NTWK
AL	7	UNIVERSITY OF ALABAMA	04060358701	100,000	091289A	UNIVERSITY CENTER
AR	1	AR STATE UNIVERSITY	08060270080	100,000	092989A	UV CTR ESTABLISH CENTER
AZ	2	ARIZONA, UNIVERSITY OF	07060297521	12,000	092989A	FEAS/S GUADALUPE MERCADE
AZ	2	ARIZONA, UNIVERSITY OF	07060297503	100,000	080889A	UV CTR ARIZONA
AZ	2	ARIZONA, UNIVERSITY OF	070603143	25,000	051689A	MKT/S PESO DEVALUATION
AZ	3	BULLHEAD, CITY OF	070603148	18,000	052389A	FEAS/S REG ECON DEVELOP.
AZ	3	HOPI TRIBE	070603179	8,000	082489A	FEAS/S ON DEV AND STORE
AZ	3	MOHAVE CNTY AIRPORT AUTH	070603136	10,000	052389A	FEAS/S NEW ENTRANCE IND
CA	2	CA. STATE UNIV. CHICO	070603158	100,000	081689A	UV CTR CA ST UNIV,CHICO
CA	2	TRI-COUNTY ECON DEV CORP	070603138	15,000	040789A	EXPT/P TRI-CO
CA	15	CA ST UNIV, FRESNO	070603133	15,000	061589A	FEAS/S KENAF CROP
CA	17	STATE CENTER COM.COLLEGE	070603182	100,000	092989A	UV CTR FRESNO
CA	20	BIG PINE BAND PAIUTE/SHO	070603118	11,000	022189A	MKT/S RES INDUSTRIAL PK
CO	2	UNIVERSITY OF COLORADO	050602374	57,000	062789A	UNIVERSITY CENTER PROGRA
CO	3	SOUTHERN COLORADO EDD	050602372	10,000	062389A	ONE-STOP-BUSINESS CENTER
CO	4	NATL TECHNOLOGICAL UNIV	990607295	100,000	092989A	INIT UNIV CENTER GRANT
CT	1	WORLD TRADE ASSOC.	990607290	30,000	020189A	CONN WORLD TRADE INST
DC	1	GOVT FINANCE RES CTR	990607296	21,900	092989A	TA HANDBOOKS
DC	1	NATL ASSOC TWNS/TWNSHPS	990607297	33,500	092989A	COMPUTER DATABASE
DC	1	NATL CNCL URBAN ECON DEV	990607292	99,996	091289A	TECHNOLOGY FORUMS
DC	1	NATL CNCL URBAN ECON DEV	990607294	94,952	092989A	REGIONAL CONFERENCES
DC	1	NORTHEAST/MIDWEST INST	990607291	79,059	091289A	PUBLISH HANDBOOK
FL	2	FLORIDA STATE UNIV	04060346602	60,000	040589A	CONT FL EC DEV CTR:FL ST
GA	2	SOUTH GEORGIA APDC	04060349701	15,000	081189A	AGRI INCUBATOR CONT
GA	5	CLARK ATLANTA UNIVERSITY	04060350302	80,000	072689A	MANAGEMENT & T/A
GA	5	FED SOUTHERN COOP	040603619	35,000	041789A	RURAL DEVELOPMENT:COOP
GA	5	GA TECH RESEARCH INST	04060347102	56,000	091289A	MGMT & T/A:BUS
GA	9	GEORGIA MTS APDC	040603600	25,000	112988A	EXP ARTS&TOURISM PROGRAM
GA	10	CNTRL SAVANNAH RVR APDC	040603615	25,000	033189A	COMPUTER BUS SITE SYS
HI	1	HAWAII, UNIVERSITY OF	070603123	220,000	042689A	UV CTR HONOLULU
HI	2	HAWAII, COUNTY OF	070603117	15,000	081689A	FEAS/S INCUBATOR
IA	4	IOWA STATE UNIVERSITY	050602370	56,000	051089A	UNIVERSITY CENTER
ID	1	BOISE STATE UNIVERSITY	070603159	75,000	063089A	UV CTR BOISE STATE UNIV
ID	2	REGION IV DEV ASSN INC	070603126	15,000	082589A	FEAS/S GRAIN CLEANING
IL	7	UNIVERSITY OF ILLINOIS	06060153914	72,000	092889A	UNIV CENTER/CONT GRANT
IL	17	WESTERN ILL UNIV	060602428	96,913	092989A	UNIVERSITY CENTER
IN	7	WEST CENTRAL INDIANA EDD	060602419	25,000	092889A	MGT/S MFG TECH SERV CTR
IN	8	VINCENNES AREA COMM DEV	060602369	45,000	063089A	FEAS/S FOOD PROCESSING
IN	10	INDIANA UNIV FOUNDATION	06060206605	75,000	092989A	UNIVERSITY CENTER
KS	2	KANSAS RURAL CENTER, INC	050602393	10,000	090689A	FEASIBILITY STUDY
KS	2	UNIVERSITY OF KANSAS	05060234401	100,000	082289A	UNIVERSITY CENTER PROGRA
KY	6	EASTERN KENTUCKY UNIV	040603676	100,000	092989A	UNIV CENTER PROGRAM
KY	6	UNIV OF KY CTR BUS DEV	04060347202	56,000	032489A	MGMT & T/A
LA	1	UNIV OF NEW ORLEANS	08060252203	49,000	081589A	UV CTR-ECON DEV/TECH AS
LA	2	XAVIER UNIV OF LOUISIANA	08060252803	100,000	080989A	UV CTR/ECONOMIC DEV CTR
MA	1	UNIV OF MASS/ COOP. EXT.	01060266305	52,000	062189A	UNIVERSITY CENTER RENEW
MD	1	CHESAPEAKE COUNTRY EDC	010603052	25,000	092989A	IND MARKET.STRATEGTY/UP.
MD	3	MORGAN STATE UNIVERSITY	010603070	100,000	092989A	NEW UNIVERSITY CENTER GR
ME	1	CENTER FOR BUS & RSCH	01060287202	56,000	042089A	UNIVERSITY CENTER CONTIN

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
MI	2	UNIV OF MICHIGAN	06060153813	68,000	080489A	UNIV CENTER/CONT GRANT
MI	6	MICHIGAN STATE UNIV	06060224302	100,000	072889A	UNIVERSITY CENTER
MI	10	FERRIS STATE UNIV	060602429	24,000	092289A	MGT/S
MI	10	OGEMAW CTY/ECMPDC	060602401	35,000	092989A	MGT/S MFG PLANT
MN	8	ARROWHEAD RPC	060602348	30,000	072089A	FEAS/S AIRCRAFT REFURB
MN	8	MINNESOTA CHIPPEWA TRIBE	060602346	32,000	092989A	FEAS/S
MO	9	UNIVERSITY OF MISSOURI	050602369	56,000	060789A	UNIVERSITY CENTER
MS	2	MS VALLEY ST UNIV	04060339203	100,000	092189A	UNIV CENTER PROGRAM
MS	3	MS STATE UNIVERSITY	040603675	100,000	092989A	UNIV CENTER PROGRAM
MS	5	SOUTHERN MS P&DD	040603668	23,225	090589A	STRATEGY:LN&INVESTMNT
MS	5	UNIV OF SOUTHERN MS	040603674	100,000	092989A	UNIV CENTER PROGRAM
MT	1	MONTANA STATE UNIVERSITY	050602387	100,000	081789A	UNIVERSITY CENTER PROGRA
MT	1	MONTANA STATE UNIVERSITY	050602377	20,000	071189A	MARKET FEASIBILITY STUDY
MT	2	CITY OF SHELBY	050602402	15,000	092689A	MARKET FEASIBILITY STUDY
NC	1	ALBEMARLE COMMISSION	040603667	20,000	090589A	FEAS STDY:WSTEWTR TRTMNT
NC	11	WESTERN CAROLINA UNIV	040603616	39,775	071289A	FEAS STDY:TROUT PROD
NC	11	WESTERN CAROLINA UNIV	04060347402	55,000	050489A	UNIV CTR PROG CONT
ND	1	CITY OF WALHALLA	050602391	15,000	082989A	FEASABILITY STUDY
ND	1	NORTH DAKOTA STATE UNIV	050602375	85,000	070789A	UNIVERSITY CENTER PROGRA
ND	1	SOURIS BASIN COUNCIL	050602373	10,000	071189A	FEASIBILITY STUDY ON ND
NE	1	UNIV. OF NEB/LINCOLN	050602386	100,000	090789A	UNIVERSIRY CENTER PROGRA
NH	1	UNIV OF NEW HAMPSHIRE	01060276603	60,000	041089A	CONTINUE UNIV CENTER
NJ	10	RUTGERS,THE STATE UNIVER	01060276403	60,000	050289A	UNIVERSITY CENTER CONTIN
NM	1	UNIV OF NEW MEXICO	08060249003	53,000	051589A	UV CTR-BUS RESOURCE CTR
NM	2	CTR-BUS RESEARCH & SRVCS	080602650	29,487	052489A	MKT/S STUDY MFG PLANTS
NM	2	REGENTS OF NM STATE UNIV	080602675	25,000	072089A	FEAS/S COMMR GREENHOUSE
NM	3	NORTHWEST NEW MEXICO COG	07060318580	83,000	092589A	SOIL/HYDROLOGY STUDY
NV	2	BATTLE MOUNTAIN BAND COU	070603184	10,000	092989A	FEAS/S COMMERCIAL CENTER
NY	23	TA CENTER, SUNY	01060276303	57,000	020389A	UNIV CTR PLATTSBURGH NY
NY	28	CORNELL U, DEPT AGRIC EC	010603002	100,000	092989A	UNIVERSITY CENTER
OH	18	MONROE CNTY COMM	060602433	10,000	092889A	FEAS/S IND PARK
OH	19	CLEVELAND STATE UNIV	06060212704	100,000	090789A	UNIVERSITY CENTER
OK	3	OKLA STATE UNIV	08060270180	250,000	092989A	OK ST UNIV/INTL TRADE DC
OK	4	FREDERICK, CITY OF	080602691	20,000	082889A	FEAS/S TEXTILE MILL
OR	2	EASTERN OREGON STATE COL	07060304002	100,000	080889A	UV CTR EASTERN OREGON
OR	2	NE OREGON ECON DEV DISTR	070603134	20,000	082489A	BUS. & FINANCE ECON.DEV.
OR	3	OREGON HISTORIAL SOCIETY	070603147	6,000	062289A	MKT/S LEWIS &CLARK TRAIL
PA	10	NO TIER RPDC	010603047	25,000	092889A	REG EXPORT POTENTIAL
PA	11	ECON DEV COUNCIL NE PA	010603048	20,000	092289A	DEV SOURCING BUSINESS
PA	23	PENNSYLVANIA STATE UNIVE	01060276503	72,000	021389A	UNIVERSITY CENTER CONTIN
PR	1	UNIVERSITY OF P.R.	01060281303	100,000	080389A	UNIVERSITY CENTER
PR	1	UNIVERSITY OF P.R.	01060281321	50,000	092989A	UNIVERSITY CENTER
SC	2	BENEDICT COLLEGE	04060321705	100,000	022289A	MGMT & T/A
SC	2	SOUTH CAROLINA STATE OF	04060348802	25,000	050589A	TECH ASST:LCL GOVT
SD	1	BLACK HILLS COUNC OF LG	050602334	20,000	071189A	FEASIBILITY STUDY
SD	1	SOUTH DAKOTA STATE UNIV	05060234501	100,000	081789A	UNIVERSITY CENTER PROGRA
TN	1	NATIONAL PARK SERVICE	040603649	24,000	062889A	DEV MOD:EC DEV&ENVIRON
TN	8	MEMPHIS STATE UNIV	04060348702	53,000	061489A	REG EC DEV CTR:MGMT&T/A
TN	9	MEMPHIS ST UNIVERSITY	040603625	24,000	050589A	EC IMPACT STDY:ROCKT PLT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
TX		CARTHAGE, CITY OF	090602676	21,000	080189A	
TX	6	TEXAS ENGRNG EXPERMT STA	080602656	22,000	062389A	GEOGRAPHIC INFORMATN SYS
TX	6	TX ENGRNG EXPERIMENT STA	080602628	100,000	011789A	UNIV CTR OUTREACH CENTER
TX	19	TEXAS TECH UNIVERSITY	080602678	25,000	072089A	FEAS/S INTERNTL BEEF MKT
TX	19	TEXAS TECH UNIVERSITY	080602679	25,000	091189A	FEAS/S TANNERIES
TX	19	UNIV OF TX/PERMIAN BASIN	080602677	25,000	072089A	MGT/S FOR RE-EMPLOYMENT
TX	19	UNIV TEXAS/PERMIAN BASIN	08060258101	100,000	082389A	UV CTR ENERGY/ECON DIVER
TX	20	ST. MARY'S UNIVERSITY	080602695	25,000	092889A	REDEV PLAN/PRODUCE MKT
TX	20	UNIV/TX AT SAN ANTONIO	080602629	57,000	042089A	MGT/S RURAL BUSINESSES
TX	21	UNIV TEXAS SAN ANTONIO	08060249303	57,000	060789A	UV CTR FOR SOUTH TEXAS
VA	1	HAMPTON UNIVERSITY	01060245107	100,000	092189A	UNIVERSITY CENTER CONT
VA	8	FUTURE FARMERS OF AM	990607293	27,700	091289A	PUBLICATION OF HANDBOOKS
VA	9	VA TECH DEPT OF PLANNING	010603003	100,000	012089A	UNIVERSITY CENTER PROGRA
WA	2	PORT TOWNSEND, PORT OF	070603167	6,000	090589A	MKT/S MARINE LIFT SYSTEM
WA	4	COLVILLE CONF TRIBES	070603170	9,000	071989A	FEAS/S COMMERICAL CENTER
WA	5	WASHINGTON STATE UNIV	07060298102	70,000	042089A	UV CTR
WA	7	CENTRAL PUGET SOUND EDD	070603178	15,000	082489A	U.S./CANADA FREE TRADE
WI	7	ST CROIX TRIBAL COUNCIL	060602326	35,000	092489A	FEAS/S SALMON PRODUCTION
WV	1	WHEELING COLLEGE, INCORP	01060307280	200,000	092989A	SOFTWARE ENTERPRISE CNTR
WV	4	MARSHALL UNIV RESEARCH	01060257505	75,000	092989A	UNVERSITY CENTER CONT

RESEARCH AND EVALUATION PROGRAM

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
DC	1	EXPORT NOW	990713722	100,000	123088F	EXPORT NOW PROGRAM
DC	1	INNOVATION ASSOCIATES	99071371001	11,310	032189A	EUROPEAN EXPERIENCE
GA	4	GA TECH RES CORP	990713729	67,880	092989A	EXURBAN INDUSTRLZTN
IL	9	NCR RESEARCH	990713730	75,500	092989A	ECONOMIC DEVELOPMENT RES
IL	19	UNIV OF IL AT URBANA	990713728	117,326	092789A	IMPACT OF FREE TRADE
MA	8	BRANDEIS UNIVERSITY	990713733	84,173	092989A	PER-CAPITA INCOME
MD	98	NOAA (SBIR)	990713725	15,125	060789A	SMALL BUS INNOVATION RES
MI	2	HUMAN RESOURCES ASSOC	990713727	69,740	092789A	AUTOMOBILE FACTORIES
NC	2	UNIV OF N. CAROLINA	990713731	75,926	092989A	ECON DIVERS. & EMPLMT
NC	2	UNIV OF NORTH CAROLINA	990713724	30,800	063089A	COMP REGIONAL RES SEMINA
NC	6	UNIV OF NORTH CAROLINA	990713732	52,042	092789A	IMPACT OF ELDERLY IMMIGR
RI	2	UNIV OF RHODE ISLAND	990713734	96,968	092989A	FLEXIBLE PRODUCTION
TX	1	HOUSTON AREA RES CTR	990713726	10,000	091089A	CONFERENCE
WV	2	WEST VIRGINIA UNIVERSITY	99071371880	200,000	021389A	DISCOVERY LAB

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AL	5	NORTHWEST AL CNCL GOVT	040903636	20,000	063089A	EC ADJ STRATEGY:MARION
AL	7	LIVINGSTON CITY OF	041903584	340,370	112288A	CONST WTR TNK&RD REPAIRS
AL	7	YORK CITY OF IND BD	041903643	475,000	092889A	PUR&RENOV ROB ROY BLDG
AR	1	EAST ARKANSAS PDD	08390232680	1,700,000	092989A	LTED RECAP REVOLVNG LOAN
AZ	2	BORDER IND. DEV. INC.	070903142	9,000	092989A	PLANT CLOSURE STRATEGY
CA	16	MONTERY, COUNTY OF	073903105	200,000	092489A	REVOLVING LOAN FUND
CA	17	TULARE COUNTY EDC	073903166	250,000	092689A	REVOLVING LOAN FUND
CA	32	LOS ANGELES, CITY OF	071903106	1,000,000	053189A	FLASH FREEZE&COLD STORAG
CO	3	ROUTT CO. & STMBT. SPGS.	050902363	60,000	031389A	SSED STRATEGY
FM	1	U MUNICIPALITY	073903083	75,000	121388A	DEV/S WATER PLAN
GA	8	HEART OF GA APDC	043903595	400,000	021589A	REVOLVING LOAN FUND
GA	8	SOUTHEAST GA APDC	043903653	500,000	082189A	REVOLVING LOAN FUND
GU	1	GUAM, GOVT OF	071903068	75,000	021689A	NAT. DISASTER IMPLEMENT.
ID	1	CLEARWATER	073903155	350,000	092989A	REVOLVING LOAN FUND
IL	19	LAWRENCE CNTY IND DV CNC	063902372	210,000	092989A	REVOLVING LOAN FUND
IL	22	GREATER EGYPT RPC	063902390	500,000	041989A	REVOLVING LOAN FUND
IN	2	RANDOLPH CNTY CEDF	063902388	254,000	092689A	REVOLVING LOAN FUND
IN	4	DECATUR CITY/ADAMS CNTY	061902304	497,925	110488A	IMPLEMENTATION GRANT
KS	1	GREAT PLAINS DEVELOPMENT	051902398	800,000	092989A	SSED IMPLEMENTATION
KY	1	HICKMAN-FULTON RVRPRT	041903607	600,000	042689A	SSED IMPLE GRT:RVRPT FAC
KY	5	CUMBERLAND VALLEY ADD	040903627	30,000	063089A	SSED STRATEGY GRANT
KY	5	LAKE CUMBERLAND ADD	041903646	350,000	092089A	SSED:RLF
KY	7	FIVCO ADD	04390331601	300,000	082189A	RLF RECAP
KY	7	KENTUCKY RIVER ADD	043903651	450,000	081889A	REVOLVING LOAN FUND
MD	1	U. OF MARYLAND E. SHORE	010903038	75,000	091189A	ADJUST. STRAT./CCORDIN.
MD	3	MARYLAND FOOD CTR. AUTH.	011903034	485,000	091289A	FACILITY PURCHASE/RENOV.
MD	6	TRI-COUNTY COUNCIL/W. MD	01390223101	300,000	092689A	RECAPITALIZE AN RLF
MI	3	BARRY CNTY BD OF COMM	060902352	25,000	113088A	STRATEGY GRANT
MN	2	REGION NINE DEV COMM	063902396	400,000	092989A	REVOLVING LOAN FUND
MN	7	NORTHWEST RDC	061902395	250,000	080489A	IMPLEMENTATION GRANT
MO	8	CITY OF HERMANN	051902388	542,750	092889A	ACQUIRE & REHAB. BLDG.
MO	8	SOUTHEAST MISSOURI RPC	050902371	60,000	050989A	SSED STRATEGY GRANT
MS	2	GOLDEN TRIANGLE P&DD	041903606	1,125,000	120688A	LN TO BELWOOD:SAVE JOBS
MS	3	E CENTRAL P&DD	043903652	350,000	092589A	REVOLVING LOAN FUND
MS	4	CENTRAL MS P&DD	043903644	500,000	082289A	REVOLVING LOAN FUND
MT	1	STATE OF MONTANA	050902368	65,868	041289A	SSED STRATEGY GRANT
MT	2	BEAR PAW DEVELOPMENT COR	053902349	350,000	010989A	REVOLVING LOAN FUND
NJ	1	CAMDEN ECON. DEVEL. CORP	01390255801	300,000	031089A	RECAPITALIZE RLF
NJ	14	HOBOKEN, CITY OF	010902998	39,000	101888A	FEASIBILITY STRATEGY
NY	25	INC. VILLAGE OF HOBART	011903063	1,000,000	092789A	ADJ. IMP./WASTEWATER
NY	34	REG ECON DEV & ENERGY CO	013903039	300,000	092989A	CAPITALIZE AN RLF
NY	34	SOUTHERN TIER ENT DEV OR	013902976	400,000	092689A	CAPITALIZE AN RLF
OR	2	ECOAC/NEOEDD	07390293501	300,000	092689A	RECAP RLF
PA	9	SOUTH. ALLEGHENIES PDC	01390254801	350,000	092589A	RECAPITALIZE RLF
PA	14	COUNTY OF ALLEGHENY	012903001	58,000	021689A	FEASIBILITY-DEMO. PROJ.
SC	2	CENTRAL MIDLANDS RPC	043903632	150,000	092689A	LTED RLF GRANT
SC	2	SOUTH CAROLINA STATE OF	041903684	5,000,000	092989A	HURRICANE HUGO CLEANUP
SC	5	CATAWBA REG PL CNCL	04390339501	150,000	122288A	RLF RECAP
SC	6	OLANTA TOWN OF	041903588	175,000	072189A	SSED:IMPLE GRT:WSTWTR
SD		FIRST DISTRICT ASSOC	050902389	20,000	080289A	
SD	1	DIST. III PLAN. AND DEV.	05390206401	225,000	092989A	RECAPITALIZE RLF
SD	1	NORTHEAST COUNCIL OF GOV	050902376	75,000	083089A	SSED STRATEGY
SD	1	NORTHEAST COUNCIL OF GOV	053902352	400,000	092889A	DIRECT & LOAN GUARANTEES

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
TX	6	CLEBURNE, CITY OF	080902631	41,200	011989A	SSED DEVELOPMENT GRANT
TX	11	BELTON, CITY OF	081902684	277,500	092989A	IMPLEMENT INDL BASE EXP.
UT	3	SIX COUNTY EDD	053902326	500,000	010989A	ESTABLISH RLF
VA	1	NORTHAMPTON, COUNTY OF	010903068	25,000	083189A	ADJ. STRAT./ FEASIBILITY
VA	9	FRIES, TOWN OF	010903028	15,000	050389A	FEASIBILITY STRATEGY
VA	9	PULASKI, COUNTY OF	010903029	75,000	060689A	ADJUSTMENT STRATEGY
WA	4	BENTON-FRANKLIN GOV CONF	07390283801	300,000	082889A	RECAP RLF
WI	3	EAU CLAIRE CITY OF	061902355	920,000	092989A	IMPLEMENTATION GRANT
WI	3	MISSISSIPPI RIVER RPC	063902400	500,000	092989A	REVOLVING LOAN FUND
WI	7	WISCONSIN RAPIDS CITY OF	060902362	70,000	041789A	STRATEGY DEVELOPMENT
WV	1	CLARKSBURG, CITY OF	011903057	1,468,000	092989A	ADJ IMPL/CONST;TECH ASST
WV	1	PADEN CITY, CITY OF	010903066	24,500	083189A	ADJ. STRAT./FEASIBILTY
WV	2	HAMPSHIRE COUNTY I.D.A.	010903064	22,500	083189A	ADJUSTMENT STRATEGY

ECONOMIC DEVELOPMENT ADMINISTRATION
FY 1990 GRANT APPROVALS

PUBLIC WORKS PROGRAM

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK	1	ANCHORAGE, MUNICIPALITY	070103161	1,000,000	052290A	DOCK, UTILITIES & BLDG.
AK	1	COOK INLET AQUACULTURE	070103221	1,000,000	080390A	INTERTIDAL FISH LADDER
AK	1	KENAI, CITY OF	070103198	800,000	070290A	VISITOR&CULTURAL CENTER
AL	4	ARLEY, TOWN OF	040103692	600,000	061490A	TRTMNT FAC,ELEV STRG TNK
AL	4	FAYETTE,CITY/WTR WKS BD	040103691	2,000,000	070290A	IMPROV WTR/SWR SYS
AL	4	RUSSELLVL WTRWKS/SWR BD	040103721	1,000,000	083190A	UPGRADE WTR DIST SYS
AL	5	HNTSVL&HNTSVL-MADSN ARPT	040103576	600,000	083090A	CONST ID PK:W/S,AC RD
AL	7	FT DEPOSIT WTR WKS BD	040103708	600,000	061490A	UPGRADE WTR SYS:ID EXP
AR	1	BATESVILLE, CITY OF	080102720	1,632,950	080790A	WATER TMT FAC EXPANSION
AR	3	BOONEVILLE, CITY OF	080102726	450,000	092690A	WASTEWATER TREATMENT SYS
AR	3	WALDRON, CITY OF/AS&WCC	080102727	1,000,000	091990A	WATER SYSTEM IMPRVMNTS
AR	4	CHICOT-DESHA METRO PRT A	080102734	500,000	091990A	YELLOWBEND PORT FAC
CA	2	ANDERSON, CITY OF	071103209	1,229,150	080390A	EXPAND SEWER PLANT
CA	2	OLIVEHURST PUB.UTIL.DIST	070103225	705,000	072790A	SEWER TREATMNT EXPANSION
CA	16	SANTA CRUZ PORT DISTRICT	070103169	735,000	070390A	PORT INFRASTRUCTURE
CA	17	ARMONA COMM SERVICE DIST	070103210	684,000	080390A	WASTEWATER TRMT PLNT EXP
CA	20	MOJAVE PUD/E. KERN AIR D	070103197	742,500	052390A	WATER, SEWER,IND RDS
CA	32	LOS ANGELES, CITY OF	070103140	400,000	080790A	C ST & LECOUVREUR AVE IM
CM	1	NORTHERN MARIANAS COLLEG	07010308401	157,000	062790A	SAIPAN INCUBATOR BLDG
CO	3	FLORENCE, CITY OF	050102426	782,763	080690A	WATER & SEWER LINES
CT	2	SEATECH	01010308680	592,000	060590A	SMALL BUSINESS INCUBATOR
FL	2	GRETNA, TOWN OF	04110343701	300,000	032190A	ID PK INFRASTRCTR-O/R
FL	6	WILDWOOD, CITY/SUMTER CO	040103702	639,250	090590A	WTR, SWR LN EXT
FM	1	YAP STATE, GOVERNMENT OF	070103107	200,000	020290A	WATER LINE EXTENSION
GA	1	DARIEN, CITY OF	040103677	127,607	032890A	IMP WTR/SWR SER
GA	3	AMERICUS/SUMTER DEV AUTH	040103705	358,500	070690A	IND PK EXP:W/S,GAS,RD,GT
GA	3	HAWKINSVILLE, CITY OF	040103704	1,000,000	062690A	WATER/SEWER IMPROVEMENTS
GA	3	THOMASTON, CITY OF	040103738	345,700	090690A	WATER LINE EXT
GA	3	UNADILLA, CITY OF	040103664	499,665	102789A	UTIL FOR PRISON
GA	8	BLACKSHEAR, CITY OF	040103749	250,000	090690A	EXPAND SEWAGE TRTMNT SPR
GA	8	MACON, CITY OF	040103696	220,000	053190A	EXT R R TRACK:ARPT
IA	1	KEOKUK, CITY OF	050102440	600,000	091490A	BUILD INDUSTRIAL ROAD
IA	3	CEDAR FALLS, CITY OF	050102404	700,000	031490A	BUILD INDUSTRIAL ROAD
IA	3	WATERLOO, CITY OF	050102396	850,000	031490A	BUILD INDUSTRIAL ROAD
IA	4	ANKENY, CITY OF	05010242480	986,200	082290A	CROSSROADS INDUS. PARK
IA	4	DES MOINES, CITY OF	05010242080	1,232,800	040890A	2ND AVE. STORM SEWER
ID	2	TWIN FALLS, CITY OF	070103183	700,000	022890A	INDUSTRIAL ACCESS BRIDGE
IL	2	DOLTON, VILLAGE OF	060102380	380,000	102789A	WATER, SEWER & ROAD IMPS
IL	4	BRIDGEVIEW, VILLAGE OF	060102438	994,000	072490A	SEWER AND ROAD
IL	5	CHICAGO, CITY OF	060102420	1,500,000	091990A	INDUSTRIAL PARK IMPS
IL	13	LA GRANGE, VILLAGE OF	060102456	305,000	081790A	SEWER AND STREET IMPROV
IL	17	GENESEO, CITY OF	060102472	552,000	080390A	INFRASTRUCTURE IMPS
IL	17	MILAN, VILLAGE OF	060102463	340,000	071390A	INFRASTRUCTURE IMPS
IL	20	QUINCY, CITY OF	060102461	677,250	072690A	INDUSTRIAL PARK IMPS
IL	21	EAST ALTON, VILLAGE OF	060102465	1,785,000	092590A	WATER TREATMENT PLANT
IL	21	MARYVILLE, VILLAGE OF	060102454	211,000	071090A	SEWER EXTENSION
IN	5	MOROCCO, TOWN OF	060102450	267,120	091090A	WATER STORAGE TANK
IN	9	SCOTTSBURG, CITY OF	060102451	950,000	081790A	WATER, SEWER & ROAD IMPS
IN	9	SELLERSBURG, TOWN OF	060102441	636,500	080390A	INFRASTRUCTURE

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
KS	5	IOLA, CITY OF	050102417	704,506	080690A	CONSTRUCT SEWER AND ROAD
KY	1	PADUCAH/MCCRACKEN/AP AUT	040103690	532,819	081790A	CONST ID PK:REG AIRPORT
KY	2	OWENSBORO RIVERPORT AUTH	040103687	492,380	070390A	CONST WAREHOUSE SPACE
KY	6	DANVILLE, CITY OF	040103681	1,000,000	112789A	WTR TRTMNT PLT EXP
KY	6	UNIVERSITY OF KENTUCKY	04010369380	4,438,000	031490A	DEV SCI/TECH COMM CTR
KY	7	FIVCO AREA DEV DIST	040103672	600,000	042790A	PUR&RENOV BLDG:INCUBATOR
LA	3	PRT OF IBERIA BD OF COMM	080102728	688,800	091990A	PUBLIC DOCK BULKHEADING
LA	7	ST. MARTIN PAR POL JURY	080102703	1,000,000	042490A	WASTE WTR TMT/WTR TMT
MD	6	BD. OF CO. COMM. ALLEGAN	010103099	1,260,000	091990A	SEWER LINE EXTENSION
ME	2	ASHLAND, TOWN OF	010103076	642,500	070590A	MACHIAS RIVER INDL PARK
ME	2	HOULTON, TOWN & WTR CO	010103083	330,000	091090A	WASTEWATER TMT PLANT REN
MI	9	MONTAGUE, CITY OF	060102458	546,000	092590A	WATER SYSTEM IMPS
MI	9	MUSKEGON CNTY DEPT OF PW	060102457	500,000	091090A	WATER EXTENSION
MI	11	MUNISING, CITY OF	060102453	500,000	081790A	MUNICIPAL WATER SYSTEM
MI	11	SAULT STE MARIE, CITY OF	060102471	1,200,000	091990A	WATER SUPPLY SYSTEM
MN	2	WINTHROP, CITY OF	060102424	116,000	040590A	SEWER & ROAD IMPROV
MN	7	RED LAKE BD OF CHIPP IN	060102406	1,090,400	070990A	WATER SYSTEM IMPS
MN	7	THIEF RVR FALLS, CITY OF	060102478	1,000,000	081790A	WATER TREATMENT PLANT
MN	8	DEERWOOD, CITY OF	060102436	135,700	032490A	SEWER & WATERLINE EXT
MN	8	LAKE EDWARD TOWNSHIP	060102437	40,000	040790A	ROAD IMPROV
MO	4	PETTIS COUNTY	050102429	479,000	091090A	BUILD INDUSTRIAL ROAD
MO	6	BROOKFIELD, CITY OF	050102362	400,000	102789A	WATER STORAGE TANK
MO	6	CARROLLTON, CITY OF	050102425	409,000	060490A	CONSTRUCT WATER STORAGE
MO	6	CHILLICOTHE, CITY OF	050102434	343,200	092890A	CONSTRUCT SANITARY SEWER
MO	6	MILAN, CITY OF	050102405	237,500	022890A	INCREASE WATER STORAGE
MO	9	MOBERLY, CITY OF	050102448	720,000	091090A	CONSTRUCT WATER STORAGE
MS	1	MARSHALL CO ID/BYHALIA	040103683	133,533	061490A	AC RD:IND PK
MT	2	BRIDGER, TOWN OF	050102409	430,000	053190A	INDUSTRIAL FACILITY
NC	1	WASHINGTON, CITY OF	040103678	471,735	040290A	EXP WTR&WSTWTR COLLEC LN
NC	2	UDI COMM DEV CORP	040103695	685,374	080390A	ID BLDG:W/S,AC RD
NC	3	BLADEN COUNTY	040103739	2,000,000	090690A	CONST WSTWTR TRTMNT FAC
NC	11	SPRUCE PINE, TOWN OF	040103699	325,000	092790A	WATER IMPROVEMENTS
ND	1	KILLDEER, CITY OF	050102416	484,000	072790A	INDUSTRIAL FACILITY
ND	1	MEDORA & MEDORA FOUNDATI	050102414	653,225	020290A	CONSTRUCT UTILITIES
ND	1	TOLNA, CITY OF	050102397	281,367	053190A	INDUSTRIAL BUILDING
NJ	2	VINELAND PRODUCE AUCTION	010103067	900,000	032890A	PRODUCE AUCTION EXPANSIO
NJ	14	JERSEY CITY EC DEV CORP	010103041	1,000,000	111589A	GREENSVILLE YARDS AREA
NM	3	LAGUNA, PUEBLO OF	080102722	763,500	081790A	EXPAND INDUSTRIAL PLANT
NM	3	NORTHWEST NEW MEXICO COG	07010324380	2,400,000	091090A	SITE/BLDG IMPROVEMENTS
NV	2	SHOSHONE-PAIUTE TRIBES	071103125	485,000	122089A	HUMAN DEVELOPMENT CENTER
NV	2	WELLS, CITY OF	071203187	588,000	062590A	INDUST PARK & WATER IMPS
NY	29	CAMDEN, VILLAGE OF	010103092	750,000	091490A	RECON/EXPAND WTR SYSTEM
NY	29	FULTON, CITY OF	010103080	592,800	050890A	INFRASTRUCTURE EXPANSION
NY	34	WELLSVILLE, TOWN OF	010103077	856,700	070690A	SEWER LINE
OH	2	WILLIAMSBURG, VILLAGE OF	060102431	180,000	092890A	WATER SYSTEM IMP
OH	6	WILMINGTON, CITY OF	060102440	1,500,000	090690A	WATER SYSTEM IMPS
OH	9	TOLEDO-LUCAS CNTY PORT AUTH	060102474	1,282,000	091990A	DRYDOCK EXTENSION
OH	10	ZANESVILLE, CITY OF	060102452	1,387,850	070990A	INDUSTRIAL PARK IMPS
OH	13	LOUDONVILLE, CITY OF	060102475	873,500	090690A	INFRASTRUCTURE IMPS
OH	17	MAHONING COUNTY COMM.	060102443	252,000	060190A	BRIDGE REHABILITATION
OK	2	FAIRLAND, TOWN OF	080102717	576,900	092090A	DEVELOP INDUSTRIAL PARK
OK	2	OKLA ORDNANCE WORKS AUTH	080102704	212,016	052590A	WTR TMT PLNT/FILTER RENV
OK	2	STILWELL/AREA DEV. AUTH	080102733	890,400	090590A	INDL WTR/WASTE WTR/ROAD
OK	3	SEMINOLE, CITY OF	080102702	508,000	032790A	WASTEWTR/WTRWELL IMPRVMT
OK	4	GREAT PLAINS AREA VT SCH	080102706	1,283,200	053190A	CONSTR TRAINING CENTER
OK	4	LAWTON, CITY OF	080102711	690,000	090590A	INDL WTR, SWR, ACCESS RD

PUBLIC WORKS (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
OR	2	HERMISTON, CITY OF	070103191	600,000	052390A	WATER, SEWER, RD IND SIT
OR	2	HOOD RIVER, PORT & CITY	070103081	393,000	041890A	WATER SEWER RD IND AREA
OR	2	LA GRANDE, CITY OF	070103079	1,000,000	032790A	AIRPORT IND PARK IMPVMTS
OR	3	PORTLAND, CITY OF & OMSI	07010299180	1,000,000	022890A	OMSI RELOCATION
PA	1	FOOD DIST. CENTER	010103078	800,000	050890A	FOOD DIST. CTR. IMPROV.
PA	6	BORO TAMAQUA & TAMAQUA A	010103045	768,500	122089A	WASTEWATER TR'T PLANT EX
PA	9	ALTOONA ENTERPRISE ET AL	010103098	917,000	092690A	INFRAST. TO EDZ
PA	21	CRAWFORD CRA/RA MEADVILL	010103089	900,000	092890A	CRAWFORD CTY IND. PK.-4V
PA	22	RACW / CB / TCMA (3)	010103069	1,000,000	040290A	MALDEN INDL PARK
PA	23	BRADFORD, CITY OF	010103090	325,400	091090A	MULTI-TENANT COMPLEX
PR	1	LAS FLORES METALARTE,INC	010102970	646,000	092890A	FAC EXP - INDL COMPLEX
PR	1	PRPA (OLD SAN JUAN)	010103044	1,000,000	061490A	NEW CARGO PIER # 14
SC	1	ESTILL, TOWN OF	040103750	1,000,000	092890A	WTR/SWR SYS IMPROV:FRSN
SC	5	CHESTER CO/SWR DIST	040103709	711,500	090790A	SWR SYS IMPROV:ID DEV
SC	6	TURBEVILLE, TOWN OF	040103694	1,500,000	090690A	WTR/SWR SYS IMPROV
TN	3	HAMILTON COUNTY	041103634	275,000	042090A	RENOV BLDG:BUS INCUBATOR
TN	4	CLAIBORNE CO UTIL DIST	040103710	766,668	061590A	WTR/SWR SYS IMPROV
TN	8	MADISON COUNTY	040103685	305,700	080790A	WTR/SWR,AC RD:IND PK
TX	4	TYLER JUNIOR COLLEGE	080102710	270,000	062690A	RENOV FOR BUS. INCUBATOR
TX	9	BEAUMONT, CITY OF	08010269880	2,367,000	030290A	INFRASTRUCT/SPINDLETOP
TX	11	KILLEEN, CITY OF	080102729	287,100	090690A	INDUSTRIAL PARK IMPRVMT
TX	11	MARLIN, CITY OF	080102709	200,000	053190A	WATER SUPPLY LINE
TX	11	TEXAS STATE TECH. INSTIT	080102715	840,000	080390A	ENGR/GRAPHICS TECHN BLDG
TX	14	BEEVILLE, CITY OF	080102736	396,000	090590A	WTR LINES/2 WTR TANKS
TX	15	ALAMO, CITY OF	080102705	1,500,000	072490A	IMPRV WTR/WASTE WTR FACS
TX	15	COTULLA, CITY OF	080102724	799,200	092090A	WTR & SWR LINES/TANK/TMT
TX	15	MCALLEN, CITY OF	080102716	798,000	090690A	LEARNING RESOURCE CENTER
TX	15	STARR COUNTY/SCWC&ID#2	080102730	1,210,400	092890A	UTILS TO CRIM. JUST. FAC
TX	23	DEVINE, CITY OF	080102712	382,500	061490A	WATER WELL AND LINES
TX	23	LAREDO, CITY OF	080102708	1,000,000	041890A	CONSTR MANUFACTURING FAC
VA	5	CLARKSVILLE, TOWN OF	010103073	457,000	052290A	LAKE COUNTRY I.P. IMPR
VA	9	GILES CNTY (CNTY + IDA)	010103088	295,800	090590A	MOUNTAIN VIEW I.P. IMPR
VA	9	LEE CO BD SPVRS & CO IDA	010103082	600,000	092590A	LEE COUNTY IND PARK
VA	9	MARION, TOWN OF	010103079	945,000	091990A	REGIONAL SEWAGE LINE
WA	4	CASHMERE, CITY OF	070103165	1,000,000	050890A	INDUSTRIAL WASTEWATER
WA	4	MOSES LAKE, CITY OF	070103186	550,000	070590A	INDUSTRIAL SITE IMPRVMT
WA	4	SUNNYSIDE, CITY & PORT	070103152	882,432	052390A	INDUSTRIAL SEWAGE TREAT
WI	3	PLATTEVILLE, CITY OF	060102455	677,725	092790A	INDUSTRIAL PARK
WI	3	RICHLAND CENTER, CITY OF	060102473	970,000	080790A	INDUSTRIAL PARK DEV
WI	6	GREEN LAKE, CITY OF	060102460	415,000	081790A	WTR SYS IMPS/IP EXP
WI	7	MELLEN, CITY OF	060102384	298,800	122089A	WTR/S/RD/RAIL SPUR EXP
WV	1	BENEDUM AIRPORT AUTH	010103075	1,150,000	050890A	AIRPORT DEVELOPMENT
WV	1	TAYLOR CNTY EDA + WVDOT	010103091	349,622	091090A	INDL PARK (29 ACRES)
WV	4	MERCER CNTY COMM+DEV AUT	010103087	500,000	082090A	MULTI-USE INDL BLDG

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK	1	ALASKA, STATE OF	07250312901	200,000	092090A	STATE CONT PLANNING GRT
AK	1	ASSN VILLAGE CNCL PRESID	070515089	42,000	092890A	INDIAN INITL PLANNING GR
AK	1	BRISTOL BAY NATIVE ASSN	07051503769	60,000	061390A	INDIAN CONT PLANNING GRT
AK	1	KENAI PENINSULA BOROUGH	07051508669	60,000	062090A	AREA CONT PLANNING GRT
AK	1	KODIAK AREA NATIVE ASSN	07051505669	56,000	020790A	INDIAN CONT PLANNING GRT
AK	1	NORTHWEST ARCTIC BOROUGH	07051508869	70,000	041090A	AREA INITL PLANNING GRT
AK	1	TANANA CHIEFS CONFERENCE	07051503869	55,000	020290A	INDIAN CONT PLANNING GRT
AK	1	TLINGIT & HAIDA INDIANS	07051503269	60,000	020290A	INDIAN CONT PLANNING GRT
AL	1	AL TOMBIGBEE REG COMM	04051107969	60,000	033090A	DSTRCT SUPPL PLNG GRT
AL	1	PRICHARD, CITY OF	042503766	75,000	092090A	302(A) PLANNING GRANT
AL	1	SOUTH ALABAMA RPC	04051114069	50,000	061490A	DSTRCT SUPPL PLNG GRT
AL	2	ALABAMA, STATE OF	042503756	120,000	092090A	ST PL GRT(PROC)(302A)
AL	2	SOUTH CENTRAL ALABAMA DC	04051103269	60,000	033090A	DSTRCT SUPPL PLNG GRT
AL	2	SOUTHEAST ALABAMA REG P&DC	04051103169	57,000	033090A	DSTRCT SUPPL PLNG GRT
AL	3	EAST ALABAMA PL&DEV COMM	04051114769	50,000	061490A	DIST SUPPL PLNG GRANT
AL	5	NORTH CENTRAL ALABAMA RC	04051115069	50,000	061490A	DIST SUPPL PLNG GRANT
AL	5	TOP OF ALABAMA REG COG	04051106469	50,000	070290A	DSTRCT SUPPL PLNG GRT
AL	6	BIRMINGHAM, CITY OF	042503757	153,000	092090A	ESTAB&MAIN EC DEV PLNG &
AL	7	WEST ALABAMA EDD	04051114869	50,000	062190A	DSTRCT PLNG GRT
AR	1	EAST ARKANSAS P&DD	08051103269	61,000	061590A	DISTRICT CONT PLNG GRANT
AR	1	WHITE RIVER P&DD	08051102769	62,000	061590A	DISTRICT CONT PLNG GRANT
AR	2	CENTRAL ARKANSAS PDD	08051103969	55,000	061390A	DISTRICT CONT PLNG GRANT
AR	3	NORTHWEST ARKANSAS EDD	08051103069	59,000	031990A	DISTRICT CONT PLNG GRANT
AR	3	WESTERN ARKANSAS PDD	08051101669	60,000	061590A	DISTRICT CONT PLNG GRANT
AR	4	PINE BLUFF, CITY OF	082502743	90,000	092890A	URBAN INITL PLANNING GRT
AR	4	SOUTHEAST ARKANSAS EDD	08051101869	65,000	061590A	DISTRICT CONT PLNG GRANT
AR	4	SOUTHWEST ARKANSAS P&DD	08051103369	60,000	061390A	DISTRICT CONT PLNG GRANT
AR	4	WEST CENTRAL ARKANSAS PD	08051102669	65,000	031990A	DISTRICT CONT PLNG GRANT
AS	1	AMERICAN SAMOA, GOVT OF	07051500969	45,000	020990A	AREA CONT PLANNING GRANT
AZ	1	ARIZONA, STATE OF	07250313101	200,000	091990A	STATE CONT PLANNING GRT
AZ	1	INDIAN DEVEL DSTRT OF AZ	07051507769	100,000	050890A	INDIAN CONT PLANNING GRT
AZ	2	QUECHAN INDIAN TRIBE	07051504469	33,000	032890A	INDIAN CONT PLANNING GRT
AZ	4	WHITE MT APACHE TRIBE	07051504569	35,000	020190A	INDIAN CONT PLANNING GRT
CA	2	SUPERIOR, CA DEV COUNCIL	07051106869	65,000	020190A	DSTRCT CONT PLANNING GRT
CA	2	TRI-COUNTY ECON DEV CORP	07051107669	70,000	071190A	DSTRCT CONT PLANNING GRT
CA	3	DEPT HOUSING & COMM DEVE	07051509469	114,000	030190A	INDIAN CONT PLANNING GRT
CA	14	SIERRA ECON DEV DISTRICT	07051101269	75,000	032290A	DSTRCT CONT PLANNING GRT
CA	15	MERCED, COUNTY OF	07250287402	100,000	091890A	URBAN PLANNING GRANT
CA	18	CENTRAL SIERRA EC DEV DIST	07051104969	56,000	053090A	DSTRCT CONT PLANNING GRT
CA	45	IMPERIAL, COUNTY OF	07051508169	50,000	051290A	AREA CONT PLANNING GRT
CO	1	DENVER, CITY & COUNTY OF	052502459	150,000	092090A	302(A) URBAN PLNG GRANT
CO	3	REGION 10 EDD COLORADO	05051112769	50,000	062290A	DSTRCT SUPPL PLANNG GRT
CO	3	SAN LUIS VALLEY RD & PC	05051112869	60,000	021490A	DSTRCT SUPPL PLANNG GRT
CO	3	SOUTHERN COLORADO EDD	05051103469	60,000	021290A	DSTRCT SUPPL PLANNG GRT
CO	3	SOUTHERN UTE INDIAN TR	05051500669	40,000	032690A	INDIAN SUPPL PLANNG GRT
CO	3	UTE MOUNTAIN UTE TRIBE	05051505169	40,000	062090A	INDIAN SUPPL PLANNG GRT
FL	2	APALACHEE REG PLNG CNCL	04051112869	51,000	051190A	DSTRCT SUPPL PLNG GRANT
FL	6	NORTH CENTRAL FLORIDA RPC	04051111869	51,000	051190A	DSTRCT SUPPL PL GRT
FL	10	CENTRAL FLORIDA REG PLNG	04051113969	50,000	051690A	DSTRCT SUPPL PL GRT
FL	16	SEMINOLE TRIBE OF FLORIDA	04051502569	50,000	031690A	INDIAN SUPPL PLNG GRT
FL	17	MICCOSUKEE INDIANS	04051502669	35,000	033090A	INDIAN SUPPL PL GRT

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
GA	1	COASTAL APDC	04051102169	60,000	070290A	DSTRCT SUPPL PLNG GRT
GA	2	ALBANY, CITY OF	04250362001	42,000	083190A	STRATEGY:ORGN COOP
GA	2	SOUTH GEORGIA APDC	04051100569	60,000	022690A	DSTRCT SUPPL PLNG GRT
GA	2	SOUTHWEST GEORGIA APDC	04051102269	54,000	030290A	DSTRCT SUPPL PLNG GRT
GA	3	LOWER CHATTAHOOCHEE APDC	04051103069	52,000	020890A	DSTRCT SUPPL PLNG GRT
GA	3	MCINTOSH TRAIL APDC	04051109669	51,000	033090A	DSTRCT SUPPL PL GRT
GA	3	MIDDLE FLINT APDC	04051100369	54,000	020890A	DIST RENWL PL&ADM GRT
GA	6	CHATTAHOOCHEE-FLINT APDC	04051102569	51,000	070290A	DSTRCT SUPPL PL GRT
GA	7	COOSA VALLEY APDC	04051109469	51,000	051190A	DSTRCT SUPPL PLNG GRT
GA	8	ALTAMAHA GEORGIA SOUTH APDC	04051113269	51,000	020890A	DSTRCT SUPPL PL GRT
GA	8	HEART OF GEORGIA APDC	04051100869	54,000	032990A	DSTRCT SUPPL PL GRT
GA	8	MIDDLE GEORGIA APDC	04051113469	51,000	031690A	DSTRCT SUPPL PLNG GRT
GA	8	OCONEE APDC	04051101069	54,000	040390A	DSTRCT SUPPL PLNG GRT
GA	8	SOUTHEAST GEORGIA APDC	04051100669	54,000	022690A	DSTRCT SUPPL PLNG GRT
GA	9	GEORGIA MOUNTAINS APDC	04051100769	60,000	041890A	DSTRCT SUPPL PLNG GRT
GA	9	NORTH GEORGIA APDC	04051108569	51,000	031690A	DSTRCT SUPPL PLNG GRT
GA	10	CENTRAL SAVANNAH RIVER APDC	04051101669	60,000	031690A	DSTRCT SUPPL PL GRT
GA	10	NORTHEAST GEORGIA APDC	04051101169	52,000	041890A	DSTRCT SUPPL PLNG GRT
GU	1	GUAM, GOVT OF	07051507569	45,000	020790A	AREA PLANNING GRANT
HI	1	PACIFIC BASIN DEV CNCL	07051508269	86,000	080990A	AREA CONT PLANNING GRT
IA	1	AREA XV REG PLNG COMM	05051108269	55,000	062290A	DSTRCT SUPPL PLANNG GRT
IA	1	SOUTHEAST IOWA (XVI) RPC	05051109369	50,000	032790A	DSTRCT SUPPL PLANNG GRT
IA	2	EAST CENTRAL IOWA IG ASN	05051111869	50,000	021290A	DSTRCT SUPPL PLANNG GRT
IA	2	UPPER EXPLORERLAND RPC	05051112569	50,000	062290A	DSTRCT SUPPL PLANNG GRT
IA	5	SOUTHERN IOWA COG, INC	05051108369	60,000	032690A	DSTRCT SUPPL PLANNG GRT
IA	6	NORTHWEST IOWA PDC	05051114469	50,000	032790A	DISTRICT 301(B) PLANNING
IA	6	SIOUXLAND INTRSTATE MPCO	05051113069	50,000	021290A	DSTRCT SUPPL PLANNG GRT
ID	1	CLEARWATER ECON DEV ASSN	07051100869	65,000	071390A	DSTRCT CONT PLANNING GRT
ID	1	COUER D'ALENE TRIBE	07051502569	35,000	020190A	INDIAN CONT PLANNING GRT
ID	1	IDA-ORE PLAN & DEV ASSN	07051100569	75,000	071390A	DSTRCT CONT PLANNING GRT
ID	1	NEZ PERCE TRIBE OF IDAHO	07051502469	25,000	020590A	INDIAN CONT PLANNING GRT
ID	1	PANHANDLE AREA COUNCIL	07051104169	62,000	071390A	DSTRCT CONT PLANNING GRT
ID	2	EAST CENTRAL IDAHO P & DA	07051104569	61,000	071390A	DSTRCT CONT PLANNING GRT
ID	2	REGION IV DEV ASSN INC	07051105669	60,000	071390A	DSTRCT CONT PLANNING GRT
ID	2	SHOSHONE-BANNOCK TRIBES	07051502369	38,000	020190A	INDIAN CONT PLANNING GRT
ID	2	SOUTHEAST IDAHO COG	07051104469	63,000	071290A	DSTRCT SUPPL PLANNING GR
IL	17	BI STATE METRO PLAN COMN	06051106269	53,000	062190A	PLG CONTINUATION GRANT
IL	19	GREATER WABASH RPDC	06051108169	55,000	042590A	PLG CONTINUATION GRANT
IL	20	ILLINOIS, STATE OF	062502487	75,000	092890A	STATE PLANNING GRANT
IL	21	SOUTHWESTERN ILLINOIS METRO	06051107269	60,000	041290A	PLG CONTINUATION GRANT
L	22	GREATER EGYPT RPC	06051100769	60,000	061590A	PLG CONTINUATION GRANT
L	22	SOUTH EASTERN RPDC	06051101269	58,000	071290A	PLG CONTINUATION GRANT
L	22	SOUTHERN FIVE RPDC	06051108069	55,000	021390A	PLG CONTINUATION GRANT
N	4	REGION 3A	06051108869	50,000	040590A	PLG CONTINUATION GRANT
N	5	KANKAKEE-IROQUOIS RPC	06051109869	50,000	021290A	DIST INITL PLAN GRT
N	7	INDIANA WEST CENT EDD INC	06051101969	50,000	041290A	PLANNING GRANT
N	8	SOUTHERN INDIANA DEV CMN	06051106669	50,000	060590A	PLG CONTINUATION GRANT
N	9	INDIANA 15 RPC	06051105369	55,000	061490A	DISTRICT CONT PLG GRANT
N	9	RIVER HILLS RPC	06051107769	46,000	033090A	DIST CONT PLANNING GRANT
N	9	SOUTHEASTERN INDIANA RPC	06051107669	50,000	033090A	PLG CONTINUATION GRANT
S	1	GREAT PLAINS DEV., INC.	05051112469	50,000	070290A	DSTRCT SUPPL PLANNG GRT
S	1	NORTH CENTRAL RPC	05051113169	50,000	032690A	DSTRCT SUPPL PLANNG GRT
S	1	NORTHWEST KANSAS P&D CMN	05051109469	50,000	021290A	DSTRCT SUPPL PLANNG GRT
S	4	SOUTH CENTRAL KANSAS EDD INC	05051107769	60,000	021290A	DSTRCT SUPPL PLANNG GRT
S	5	SOUTHEAST KANSAS RPC	05051109569	50,000	062290A	DSTRCT PROF SERV GRT
Y	6	KENTUCKY DEPT OF LOCAL GOVT	04051110869	727,000	061490A	DIST RNEWL PL & ADM GRT
Y	6	KENTUCKY, STATE OF	04250362401	100,000	092890A	PROVIDE PLN ASST TO GOV

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PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
LA	3	SOUTH CENTRAL P&D COMM	08051107869	55,000	020190A	DISTRICT CONT PLNG GRANT
LA	4	COORDINATING & DEV. CORP	08051103569	60,000	020590A	DISTRICT CONT PLNG GRANT
LA	5	NORTH DELTA REG P&DD INC	08051103769	60,000	020190A	DISTRICT CONT PLNG GRANT
LA	6	CAPITAL REG PLAN COMM	08051103669	58,000	061390A	DISTRICT CONT PLNG GRANT
LA	6	LOUISIANA, STATE OF	082502747	90,000	092790A	STATE INITL PLANNING GRT
LA	7	EVANGELINE E&PD, INC.	08051102969	60,000	020190A	DISTRICT CONT PLNG GRANT
LA	7	IMPERIAL CALCASIEU RP&DC	08051109569	55,000	020190A	DISTRICT CONT PLNG GRANT
LA	8	KISATCHIE-DELTA REG PDD	08051103169	55,000	020190A	DISTRICT CONT PLNG GRANT
MA	5	LAWRENCE, CITY OF	012503124	81,000	091190A	URBAN PLANNING GRANT,INI
MA	6	MERRIMACK VALLEY RPC	01051111369	50,000	071090A	PLG CONTINUATION GRANT
MA	10	FALL RIVER, JOBS FOR	012503132	40,000	091990A	INITIAL URBAN PLANNING
MA	10	SOUTHEASTERN RP&EDD	01051101869	60,000	021690A	PLG CONTINUATION GRANT
MA	11	OLD COLONY PLANNING CNCL	01051109469	50,000	051590A	PLG CONTINUATION GRANT
MD	6	TRI CNTY CNCL W MD	01051107669	50,000	042390A	PLG CONTINUATION GRANT
ME	1	NORTH KENNEBEC RPC	01051112869	50,000	040990A	PLG CONTINUATION GRANT
ME	2	ANDROSCOGGIN VALLEY RPC	01051108069	66,000	050490A	PLG CONTINUATION GRANT
ME	2	EASTERN MAINE DEV DIST	01051101769	71,000	042590A	PLG CONTINUATION GRANT
ME	2	NORTHERN MAINE RPC	01051106469	60,000	051590A	PLG CONTINUATION GRANT
ME	2	PASSAMAQUODDY TRIBE	01051505769	30,000	040690A	PLG CONTINUATION GRANT
MI	3	SOUTH CENTRAL MI PLAN COMN	06051106469	50,000	071690A	PLG CONTINUATION GRANT
MI	4	SOUTHWESTERN MICHIGAN RPC	06051106569	50,000	021390A	PLG CONTINUATION GRANT
MI	5	WEST MICHIGAN RDC	06051105469	51,000	051190A	PLG CONTINUATION GRANT
MI	6	TRI-COUNTY REG PLG COMM	06051109469	55,000	061390A	PLG CONTINUATION GRANT
MI	8	EAST CENTRAL PDRC	06051101369	55,000	041290A	DISTRICT CONT PLG GRT
MI	9	WEST MICHIGAN SHORELINE	06051105269	50,000	021690A	DISTRICT CONTINUATION PL
MI	11	CENTRAL UPPER PENINSULA	06051102069	64,000	052290A	DIST CONT PLG GRANT
MI	11	EASTERN UPPER PENINSULA	06051101769	60,000	060490A	DISTRICT CONTINUATION PL
MI	11	NORTHEAST MICHIGAN COG	06051101569	60,000	033090A	PLG CONTINUATION GRANT
MI	11	WESTERN UPPER PENINSULA	06051101869	64,000	021390A	PLG CONTINUATION GRANT
MI	13	WAYNE, COUNTY OF	062502490	100,000	092090A	URBAN INTL PLG GRT
MN	2	MID-MINNESOTA DEV COM.	06051108569	50,000	033090A	PLG CONTINUATION GRANT
MN	2	SOUTHWEST REG DEV COMN	06051109569	50,000	062990A	CONT PLANNING GRANT
MN	2	UPPER MINNESOTA VALLEY RDC	06051109769	50,000	071190A	DISTRICT INITL PLG GRT
MN	7	HEADWATERS REG DEV COMN	06051105069	54,000	022890A	SERIOUS LONG-TERM ECONOM
MN	7	NORTHWEST RDC	06051106369	50,000	021390A	PLANNING GRANT
MN	7	REGION 5 REG DEV COMN	06051106069	50,000	021390A	DISTRICT CONTINUATION PL
MN	8	ARROWHEAD REG DEV COMN	06051100269	70,000	062990A	PLG CONTINUATION GRANT
MN	8	EAST CENTRAL MINNESOTA RDC	06051108769	50,000	050390A	PLG CONTINUATION GRANT
MN	8	MINNESOTA CHIPPEWA TRIBE	06051505269	174,000	021390A	DISTRICT CONTINUATION PL
MO	4	LAKE OF THE OZARKS C/LG	05051111769	50,000	062290A	DSTRCT SUPPL PLANNG GRT
MO	5	KANSAS CITY, CITY OF	05250240001	100,000	091890A	302(A) URBAN PLANNING GR
MO	6	GREEN HILLS RPC	05051107569	50,000	021490A	DSTRCT SUPPL PLANNG GRT
MO	6	MO-KAN RC	05051114269	50,000	032790A	301(B) PLANNING GRANT
MO	6	NORTHWEST MISSOURI RCG	05051113269	50,000	040990A	DSTRCT SUPPL PLANNG GRT
MO	8	BOOTHEEL RPC & EDC	05051101669	55,000	021290A	DSTRCT SUPPL PLANNG GRT
MO	8	MERAMEC RPC	05051108069	60,000	021490A	DSTRCT SUPPL PLANNG GRT
MO	8	OZARK FOOTHILLS RPC	05051100869	55,000	041190A	DSTRCT SUPPL PLANNG GRT
MO	8	SOUTH CENTRAL OZARK COG	05051100269	55,000	021290A	DISTRICT ECONOMIC DEVELO
MO	8	SOUTHEAST MISSOURI RPC&EDC	05051108669	60,000	021490A	DSTRCT SUPPL PLANNG GRT
MO	9	MARK TWAIN REG ADVR COMM	05051109669	50,000	062290A	DSTRCT SUPPL PLANNG GRT
MO	9	NORTHEAST MISSOURI RPC	05051109769	50,000	021290A	DSTRCT SUPPL PLANNG GRT

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
MS	1	NORTHEAST MISSISSIPPI P&DD	04051113069	55,000	061490A	DSTRCT SUPPL PLNG GRT
MS	1	THREE RIVERS P&DD	04051113669	50,000	020890A	DSTRCT SUPPL PLNG GRT
MS	2	NORTH CENTRAL MS P&DD	04051102969	58,000	062190A	DSTRCT SUPPL PLNG GRT
MS	2	NORTH DELTA P&DD	04051102769	60,000	033090A	DSTRCT SUPPL PLNG GRT
MS	2	SOUTH DELTA P&DD	04051102069	60,000	033090A	DSTRCT SUPPL PLNG GRT
MS	3	CHOCTAW INDIANS MS BAND	04051502869	35,000	061490A	INDIAN SUPPL PLNG GRT
MS	3	EAST CENTRAL P&DD	04051102669	60,000	061490A	DSTRCT SUPPL PLNG GRT
MS	3	GOLDEN TRIANGLE P&DD	04051114569	55,000	061490A	DSTRCT SUPPL PLNG GRT
MS	4	CENTRAL MISSISSIPPI P&DD	04051102869	60,000	021390A	DSTRCT SUPPL PLNG GRT
MS	4	HINDS-MADSN-RNKN SER DS	042503700	125,000	032690A	ESTAB TRI-CO PL&POL PROG
MS	4	MISSISSIPPI, STATE OF	04250362301	160,000	092890A	STATE PLNG GRT - 302A
MS	4	SOUTHWEST MISSISSIPPI P&DD	04051109369	60,000	021390A	DSTRCT SUPPL PLNG GRT
MS	5	SOUTHERN MISSISSIPPI P&DD	04051101369	96,000	021390A	DSTRCT SUPPL PLNG GRT
MT	1	BLACKFEET TRBL BUS CNCL	05051506569	50,000	033090A	INDIAN SUPPL PLANNG GRT
MT	1	SALISH & KOOTENAI TRIBES	05051500469	50,000	062090A	INDIAN SUPPL PLANNG GRT
MT	2	ASSINIBOINE & SIOUX TRBS	05051500369	50,000	032790A	INDIAN SUPPL PLANNG GRT
MT	2	BEAR PAW DEV CORP/NO MT	05051100369	55,000	021290A	DSTRCT SUPPL PLANNG GRT
MT	2	CHIPPEWA CREE TRIBE	05051506869	35,000	062090A	INDIAN SUPPL PLANNG GRT
MT	2	FORT BELKNAP IND CMUNITY	05051506769	35,000	062090A	INDIAN SUPPL PLANNG GRT
MT	2	NORTHERN CHEYENNE TRIBE	05051507169	35,000	021290A	INDIAN SUPPL PLANNG GRT
NC	1	ALBEMARLE COMMISSION	04051104669	54,000	031690A	DSTRCT SUPPL PLNG GRT
NC	1	MID-EAST COMMISSION	04051104169	53,000	070290A	DIST RENL PLN&ADM GRT
NC	1	NEUSE RIVER COG	04051103969	55,000	070290A	DSTRCT SUPPL PLNG GRT
NC	2	KERR-TAR REG COG	04051107869	53,000	020890A	DSTRCT SUPPL PLNG GRT
NC	3	SOUTHEASTERN NC EDD	04051103869	52,000	070290A	DSTRCT SUPPL PLNG GRT
NC	10	REGION D CNCL OF GOVTS	04051109969	50,000	020890A	DSTRCT SUPPL PLNG GRT
NC	11	CHEROKEE IND /EASTERN BD	04051500369	50,000	031690A	INDIAN SUPPL PLNG GRT
NC	11	LAND OF SKY REG CNCL	04051114969	50,000	070290A	CONT DIST PLNG GRT
NC	11	SOUTHWESTERN NC EDD	04051113769	50,000	031690A	DSTRCT SUPPL PLNG GRT
ND	1	DEVILS LAKE SIOUX TRIBE	05051505469	35,000	062090A	INDIAN SUPPL PLANNG GRT
ND	1	LAKE AGASSIZ REG COUNCIL	05051107969	55,000	021490A	DSTRCT SUPPL PLANNG GRT
ND	1	LEWIS & CLARK 1805 RCD	05051108169	55,000	021290A	DSTRCT SUPPL PLANNG GRT
ND	1	NORTH CENT PLAN COUN ND	05051111969	50,000	021290A	DSTRCT SUPPL PLANNG GRT
ND	1	NORTH DAKOTA, STATE OF	052502460	110,000	090690A	302(A) STATE PLNG GRANT
ND	1	ROOSEVELT-CUSTER RCD	05051113469	50,000	021290A	DSTRCT SUPPL PLANNG GRT
ND	1	SOURIS BASIN PLNG COUNCL	05051109869	50,000	021290A	DSTRCT SUPPL PLANNG GRT
ND	1	SOUTH CENTRAL DAKOTA RC	05051109969	50,000	033090A	DSTRCT SUPPL PLANNG GRT
ND	1	STANDING ROCK SIOUX TRB	05051507269	50,000	032690A	INDIAN SUPPL PLANNG GRT
ND	1	TURTLE MT BD OF CHIPPEWA	05051505769	50,000	021290A	INDIAN SUPPL PLANNG GRT
NE	1	RIVER COUNTRY EDD	05051113369	50,000	070290A	DSTRCT SUPPL PLANNG GRT
NE	3	NORTHEAST NEBRASKA EDD	05051113769	50,000	071290A	DSTRCT CONT PLANNG GRT
NE	3	PANHANDLE AREA DD	05051114169	50,000	070390A	DSTRCT INITL PLANNG GRT
NE	3	WEST CENTRL NEBRASKA EDD	05051111669	50,000	032690A	DSTRCT SUPPL PLANNG GRT
NH	2	NORTH COUNTRY COUNCIL	01051107269	45,000	020590A	PLG CONTINUATION GRANT
NJ	1	CAMDEN, CITY OF	01250300501	100,000	091190A	302A CRAMER HILL IND ARE
NJ	2	SOUTHERN NEW JERSEY EDD	01051109869	48,000	032690A	PLG CONTINUATION GRANT
NJ	8	PASSAIC, CITY OF	012503032	80,000	093090A	INITIAL URBAN 302 PLAN
NJ	8	PATERSON, CITY OF	01250303101	95,000	091890A	302A FORMULATE/IMPLEMENT
NJ	14	JERSEY CITY, CITY OF	012503113	100,000	092090A	302A PLANNING ASSIST GRA

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ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
NM	1	MID RIO GRANDE COG	08051108069	40,000	033090A	DISTRICT CONT PLNG GRANT
NM	2	EASTERN PLAINS COG	08051109869	52,000	032290A	DISTRICT CONT PLNG GRANT
NM	2	SOUTHEASTERN NEW MEXICO EDD	08051104569	58,000	020190A	DISTRICT CONT PLNG GRANT
NM	2	SOUTHWEST NEW MEXICO COG	08051109669	50,000	020590A	DISTRICT CONT PLNG GRANT
NM	3	ACOMA, PUEBLO OF	08051502669	35,000	061490A	INDIAN CONT PLANNING GRT
NM	3	EIGHT NORTHERN INDIAN PUEBLOS	08051502569	60,000	031990A	INDIAN CONT PLNG GRANT
NM	3	NEW MEXICO, STATE OF	08250266402	150,000	092090A	STATE CONT. PLANNING GRT
NM	3	NORTH CENTRAL N MEXICO EDD	08051102869	60,000	032790A	DISTRICT CONT PLNG GRANT
NM	3	NORTHWEST NEW MEXICO COG	08051503669	55,000	061490A	CONT AREA PLANNING GRANT
NM	3	ZUNI PUEBLO	08051501069	50,000	061490A	INDIAN CONT PLNG GRANT
NV	2	WESTERN NEVADA DEVEL DSTRCT	07051106269	87,000	071090A	DSTRCT CONT PLANNING GRT
NY	11	BROOKLYN ECON DEV CORP	012503123	100,000	092090A	302A URBAN PLANNING ASST
NY	21	HUDSON VALLEY EDD	01051111569	50,000	050990A	PLG CONTINUATION GRANT
NY	23	CAPITAL DISTRICT RPC	01051111869	50,000	062990A	INITIAL 301B PLNNG GRNT
NY	24	LKS CHAMPLAIN GEORGE RPB	01051107369	59,000	021390A	PLG CONTINUATION GRANT
NY	26	MOHAWK VALLEY EDD	01051101469	70,000	020290A	PLG CONTINUATION GRANT
NY	26	SAINT REGIS MOHAWK TRIBE	01051505269	35,000	021490A	PLG CONTINUATION GRANT
NY	27	CENTRAL NEW YORK RPB	01051110869	50,000	020590A	PLG CONTINUATION GRANT
NY	28	SOUTHERN TIER EAST	01051109769	50,000	020690A	PLG CONTINUATION GRANT
NY	29	GENESEE FINGER LAKES	01051108569	63,000	020290A	PLG CONTINUATION GRANT
NY	34	SENECA NATION OF INDIANS	01051505369	50,000	032690A	PLG CONTINUATION GRANT
NY	34	SOUTHERN TIER CENTRAL	01051107069	50,000	040690A	PLG CONTINUATION GRANT
NY	34	SOUTHERN TIER WEST	01051106269	50,000	020290A	PLG CONTINUATION GRANT
OH	6	OHIO VALLEY REG DEV COMN	06051100169	55,000	021690A	DISTRICT CONTINUATION PL
OH	10	BUCKEYE HILLS RDD	06051100669	55,000	070590A	PLG CONTINUATION GRANT
OH	10	OHIO MIDEASTERN GOVT ASSN	06051105669	55,000	022090A	DISTRICT CONTINUATION PL
OH	13	LORAIN, CITY OF	062502488	50,000	092090A	URBAN INITL PLG GRANT
OH	14	NEFCO	06051107369	55,000	042790A	PLG CONTINUATION GRANT
OK	2	EASTERN OKLAHOMA DEV DIST	08051101469	62,000	061590A	DISTRICT CONT PLNG GRANT
OK	2	GRAND GATEWAY E.D. ASSOC	08051100369	66,000	061590A	DSTRCT CONT PLANING GRT
OK	2	INTER-TRIBAL COUNCIL INC	08051503369	35,000	083190A	INDIAN CONT PLNG GRANT
OK	3	KIAMICHI EDD OF OKLAHOMA	08051101269	60,000	061390A	DISTRICT CONT PLNG GRANT
OK	3	SOUTHERN OKLA DEV ASSN	08051100269	63,000	061590A	DSTRCT CONT PLANING GRT
OK	4	ASSOC SO CENT OKLAHOMA GOVT	08051104069	58,000	032190A	DISTRICT CONT PLNG GRANT
OK	4	C.O.E.D.D.	08051100669	58,000	061590A	DISTRICT CONT PLNG GRANT
OK	6	NORTHERN OKLAHOMA DEV ASSN	08051109369	45,000	031990A	DISTRICT CONT PLNG GRANT
OK	6	SOUTH WESTERN OKLAHOMA DEV AUTH	08051107769	50,000	031990A	DISTRICT CONT PLNG GRANT
OR	1	SILETZ INDIAN TRIBES	07051507969	37,000	050890A	INDIAN CONT PLANNING GRT
OR	2	CENTRAL OREGON INTERGOVT	07051105769	58,000	041390A	DSTRCT CONT PLANNING GRT
OR	2	EAST CENTRAL OREGON ASSN	07051104269	60,000	032890A	DSTRCT CONT PLANNING GRT
OR	2	MID-COLUMBIA EDD	07051100469	64,000	032990A	DSTRCT CONT PLANNING GRT
OR	2	NORTHEAST OREGON EDD	07051107969	50,000	060490A	INITIAL PLANNING GRANT
OR	2	UMATILLA INDIAN RESERV	07051502869	38,000	040990A	INDIAN CONT PLANNING GRT
OR	2	WARM SPRINGS RESERVATION	07051508569	40,000	042490A	INDIAN CONT PLANNING GRT
OR	4	CCD BUSINESS DEVEL CORP	07051101469	60,000	020190A	DSTRCT CONT PLANNING GRT
OR	4	SPRINGFIELD, CITY OF	07250318001	150,000	092190A	URBAN CONT PLANNING GRT
OR	5	MID WILLAMETTE VALLEY COG	07051107069	48,000	051190A	DSTRCT CONT PLANNING GRT
OR	5	OREGON DISTRICT 4 COG	07051105869	91,000	052390A	DSTRCT CONT PLANNING GRT

PLANNING PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
PA	2	PHILADELPHIA IND DEV CORP	012503122	120,000	091890A	302A URBAN PLAN ASST
PA	9	SOUTHERN ALLEGHENIES	01051101069	50,000	040990A	PLG CONTINUATION GRANT
PA	10	NORTHERN TIER RPDC	01051100369	50,000	020290A	PLG CONTINUATION GRANT
PA	11	EDC OF NORTHEASTERN PA	01051100869	64,000	020290A	PLG CONTINUATION GRANT
PA	17	SEDA COG	01051109569	50,000	020690A	PLG CONTINUATION GRANT
PA	22	FAYETTE CNTY DEV COUNCIL	01051501869	40,000	020290A	PLG CONTINUATION GRANT
PA	23	NORTH CENTRAL PA RPDC	01051106769	50,000	051190A	PLG CONTINUATION GRANT
PA	23	NORTHWEST PENNA RPDC	01051110669	50,000	032690A	PLG CONTINUATION GRANT
PR	1	PUERTO RICO, COMMONWLTH OF	01051507069	45,000	061590A	TERRITORY 301(B) PL GR
RI	1	RHODE ISLAND, STATE OF	012503133	66,000	091890A	STATE PLANNING GRANT
SC	1	B-C-D REG PLNG COUNCIL	04051110069	50,000	020890A	DSTRCT SUPPL PLNG GRT
SC	1	LOW COUNTRY COG	04051107769	53,000	021390A	DSTRCT SUPPL PLNG GRANT
SC	2	CENTRAL MIDLANDS REG PLNG	04051113169	48,000	033090A	DSTRCT SUPPL PLNG GRT
SC	2	COLUMBIA, CITY OF	04250367001	125,000	092090A	CITY PL GRANT(302A)
SC	2	SOUTH CAROLINA, STATE OF	04250366001	100,000	092890A	ST PLN GRT(PROCESS)302A
SC	3	LOWER SAVANNAH COG	04051102469	54,000	022690A	DSTRCT SUPPL PLNG GRT
SC	3	UPPER SAVANNAH COG	04051101769	54,000	020890A	DSTRCT SUPPL PLNG GRT
SC	4	SC APPALACHIAN COG	04051113569	48,000	021390A	DSTRCT SUPPL PLNG GRT
SC	5	CATAWBA REG PLNG CNCL	04051109869	50,000	020890A	DSTRCT SUPPL PLNG GRT
SC	5	SANTEE-LYNCHES	04051107569	54,000	020890A	DSTRCT SUPPL PLNG GRT
SC	6	PEE DEE REGIONAL COG	04051101869	54,000	020990A	DSTRCT SUPPL PLNG GRT
SC	6	WACCAMAW REG PLNG & DEV CNCL	04051103469	55,000	021390A	DSTRCT SUPPL PLNG GRT
SD	1	FIRST DISTRICT A/L GOV	05051107669	55,000	021290A	DSTRCT SUPPL PLANNG GRT
SD	1	NORTHEAST COUNCL OF GVTS	05051109269	50,000	021290A	DSTRCT SUPPL PLANNG GRT
SD	1	SISSETON-WAHPETON SIOUX	05051501169	35,000	062090A	INDIAN SUPPL PLANNG GRT
SD	1	THIRD PLNG & DEV DISTRCT	05051110069	55,000	021290A	DSTRCT SUPPL PLANNG GRT
SD	2	BLACK HILLS CNCL/LOC GOV	05051108469	55,000	021490A	DSTRCT SUPPL PLANNG GRT
SD	2	CHEYENNE RIVER SIOUX TR	05051500969	50,000	061590A	INDIAN SUPPL PLANNG GRT
SD	2	LOWER BRULE SIOUX TRIBE	05051505269	40,000	062090A	INDIAN SUPPL PLANNG GRT
SD	2	OGLALA SIOUX TRIBE	05051506969	50,000	021490A	INDIAN SUPPL PLANNG GRT
SD	2	YANKTON SIOUX TRIBE	05051501569	40,000	062190A	INDIAN SUPPL PLANNG GRT
TN	1	FIRST TENNESSEE DEV DIST	04051100969	52,000	070290A	DSTRCT SUPPL PLNG GRT
TN	2	EAST TENNESSEE DEV DIST	04051102369	57,000	020890A	DSTRCT SUPPL PLNG GRT
TN	3	M L KING BLVD COMM DEV	04051503269	36,000	033090A	AREA CONT PLANNING GRT
TN	3	SOUTHEAST TENNESSEE	04051108869	51,000	020890A	DSTRCT SUPPL PLNG GRT
TN	5	GRETER NASHVILLE REG CNCL	04051103369	60,000	070290A	DSTRCT SUPPL PLNG GRT
TN	5	TENNESSEE, STATE OF	04250365901	60,000	091890A	302(A) PLNG GRT
TN	6	SOUTH CENTRAL TENN DEV	04051108669	55,000	061490A	DSTRCT SUPPL PLNG GRT
TN	6	UPPER CUMBERLAND	04051109769	55,000	020890A	DSTRCT SUPPL PLNG GRT
TN	8	MEMPHIS DELTA DEV DIST	04051113869	50,000	061490A	DSTRCT SUPPL PLNG GRT
TN	8	NORTHWEST TENNESSEE DEV DST	04051112969	52,000	061490A	DSTRCT SUPPL PLNG GRT
TN	8	SOUTHWEST TENNESSEE	04051109569	55,000	061490A	DSTRCT SUPPL PLNG GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
TX	1	NORTH EAST TEXAS EDD	08051102569	60,000	020190A	DISTRICT CONT PLNG GRANT
TX	2	DEEP EAST TEXAS COG & EDD	08051102169	55,000	031990A	DISTRICT CONT PLNG GRANT
TX	4	TEXOMA COUNCIL OF GOVTS	08051104669	50,000	031990A	DISTRICT CONT PLNG GRANT
TX	6	BRAZOS VALLEY DEV CNSL	08051102069	50,000	031990A	DISTRICT CONT PLNG GRANT
TX	7	GULF COAST EDD, INC.	08051503569	75,000	061590A	AREA CONT PLANNING GRT
TX	8	BAYTOWN, CITY OF	082502735	60,000	090690A	URBAN INITL PLANNING GRT
TX	9	GALVESTON COUNTY	082502744	57,000	092890A	URBAN INITL PLANNING GRT
TX	10	CAPITAL AREA PLNG CNCL	08051503469	50,000	020190A	AREA CONT PLNG GRANT
TX	10	TEXAS, STATE OF	082502740	100,000	092090A	STATE INITL PLANNING GRT
TX	11	CENTRAL TEXAS EDD	08051101769	69,000	020190A	DISTRICT CONT PLNG GRANT
TX	13	PANHANDLE REG PLG COMM	08051107969	45,000	031990A	DISTRICT CONT PLNG GRANT
TX	15	COASTAL BEND COG	08051107569	55,000	031990A	DISTRICT CONT PLNG GRANT
TX	15	LOWER RIO GRANDE VAL DC	08051102269	60,000	031990A	DISTRICT CONT PLNG GRANT
TX	16	EL PASO, CITY OF	082502742	100,000	092090A	URBAN INITL PLANNING GRT
TX	16	WEST TEXAS ECON DEV DIST	08051503869	50,000	021290A	CONT AREA PLANNING GRANT
TX	17	WEST CENTRAL TEXAS EDDC	08051503769	50,000	061390A	CONT AREA PLANNING GRANT
TX	19	SOUTH PLAINS ASSOC GOVT	08051109969	50,000	061390A	DISTRICT CONT PLNG GRANT
TX	20	ALAMO AREA COG	08051108169	50,000	061390A	DSTRCT CONT PLANING GRT
TX	23	MIDDLE RIO GRANDE DEV CO	08051104369	55,000	021290A	DSTRCT CONT PLANING GRT
TX	23	SOUTH TEXAS DEVL CNSL	08051104469	60,000	031990A	DISTRICT CONT PLNG GRANT
UT	1	FIVE COUNTY UTAH EDD	05051113569	52,000	042790A	DSTRCT SUPPL PLANNG GRT
UT	2	UTAH, STATE OF	05250230801	150,000	091890A	302(A) STATE PLANNING GR
UT	3	MOUNTAINLAND EDD	05051110169	50,000	021490A	DSTRCT SUPPL PLANNG GRT
UT	3	SIX COUNTY EDD	05051103869	50,000	032690A	DSTRCT SUPPL PLANNG GRT
UT	3	SOUTHEASTERN UTAH EDD	05051104169	55,000	033090A	DSTRCT SUPPL PLANNG GRT
UT	3	UINTAH BASIN EDD	05051114069	50,000	070590A	DSTRCT SUPPL PLANNG GRT
VA	4	CRATER PDC	01051111769	50,000	052290A	INITIAL PLANNING GRANT
VA	5	PIEDMONT PDC	01051102269	50,000	052290A	PLG CONTINUATION GRANT
VA	5	SOUTHSIDE PDC	01051105069	54,000	032690A	PLG CONTINUATION GRANT
VA	6	CENTRAL SHENANDOAH PDC	01051112769	45,000	021290A	PLG CONTINUATION GRANT
VA	6	SOUTHWEST VIRGINIA CDF	01051506369	50,000	032790A	PLG CONTINUATION GRANT
VA	7	RADCO PDC	01051110369	50,000	062990A	PLG CONTINUATION GRANT
VA	9	CUMBERLAND PLATEAU PDC	01051102369	50,000	020290A	PLG CONTINUATION GRANT
VA	9	LENOWISCO PDC	01051101369	60,000	020790A	PLG CONTINUATION GRANT
VA	9	MT ROGERS PDC	01051109669	50,000	020790A	PLG CONTINUATION GRANT
VI	1	U. S. VIRGIN ISLANDS	01051507169	45,000	072090A	TERRITORY 301(B) PLAN GR
VT	1	EDC OF NORTHERN VERMONT	01051107169	50,000	040690A	PLG CONTINUATION GRANT
VT	1	SOUTHERN VERMONT DEV CNCL	01051108169	50,000	020290A	PLG CONTINUATION GRANT
WA	1	CENTRAL PUGET SOUND EDD	07051101369	113,000	041090A	DSTRCT CONT PLANNING GRT
WA	2	LUMMI TRIBE OF INDIANS	07051502769	50,000	020190A	INDIAN CONT PLANNING GRT
WA	2	MAKAH INDIAN TRIBE	07051503369	40,000	020190A	INDIAN CONT PLANNING GRT
WA	2	PENINSULA DEVEL ASSN	07051107369	48,000	053090A	DSTRCT CONT PLANNING GRT
WA	2	QUILEUTE INDIAN TRIBE	07051501969	35,000	032090A	INDIAN CONT PLANNING GRT
WA	2	SWINOMISH INDIAN TRIBE	07051502169	42,000	031590A	INDIAN CONT PLANNING GRT
WA	2	TULALIP TRIBES	07051503969	42,000	020190A	INDIAN CONT PLANNING GRT
WA	3	QUINAULT INDIAN NATION	07051503069	42,000	032090A	INDIAN CONT PLANNING GRT
WA	4	BENTON-FRANKLIN GOV CONF	07051106169	58,000	071390A	DSTRCT CONT PLANNING GRT
WA	4	BIG BEND COUNCIL & EDD	07051106069	55,000	041890A	DSTRCT CONT PLANNING GRT
WA	4	KITTITAS-YAKIMA RC & EDD	07051105969	60,000	040290A	DSTRCT CONT PLANNING GRT
WA	4	YAKIMA NATION, TRIBES OF	07051503469	25,000	032890A	INDIAN CONT PLANNING GRT
WA	5	COLVILLE INDIAN TRIBE	07051502969	48,000	020990A	INDIAN CONT PLANNING GRT
WA	5	PALOUSE ECON DEV COUNCIL	07051107769	50,000	071190A	DISTRICT PLANNING GRANT
WA	5	SPOKANE TRIBE OF INDIANS	07051501469	30,000	020190A	INDIAN CONT PLANNING GRT
WA	5	TRICO ECON DEV DISTRICT	07051101169	60,000	040290A	DSTRCT CONT PLANNING GRT
WA	6	MUCKLESHOOT INDIAN TRIBE	07051507869	45,000	042490A	INDIAN CONT PLANNING GRT
WA	6	PUGET SOUND ASSN CO TRB	07051506369	42,000	040290A	INDIAN CONT PLANNING GRT

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
WI	2	WISCONSIN DEPT OF DEV	062502493	200,000	092790A	STATE PLANNING GRANT
WI	3	MISSISSIPPI RIVER RPC	06051106169	50,000	033090A	PLG CONTINUATION GRANT
WI	3	SOUTHWESTERN WISCONSIN RPC	06051109369	46,000	070290A	PLG CONTINUATION GRANT
WI	6	EAST CENTRAL WISCONSIN	06051108269	50,000	022390A	PLG CONTINUATION GRANT
WI	7	NORTH CENTRAL REG PLAN COMN	06051107869	50,000	041290A	PLG CONTINUATION GRANT
WI	7	NORTHWEST REG PLNG COMN	06051102269	53,000	021390A	DISTRICT CONT PLG GRT
WI	7	WEST CENTRAL WISCONSIN RPC	06051107169	50,000	021390A	PLG CONTINUATION GRANT
WI	8	BAYLAKE REG PLAN COMN	06051105969	50,000	021690A	PLG CONTINUATION GRANT
WI	8	GREAT LAKES INTERTRIBAL	06051500669	126,000	030890A	DISTRICT CONTINUATION PL
WV	1	BEL-O-MAR REG COUNCIL 10	01051111669	45,000	061590A	PLG CONTINUATION GRANT
WV	1	BHJ METRO PLANNING COMM	01051506969	40,000	061590A	INITIAL AREA PLNNG ASST
WV	1	MID-OHIO VALLEY RPDC	01051107869	55,000	040590A	PLG CONTINUATION GRANT
WV	1	REGION 6 PDC	01051107469	55,000	061590A	PLG CONTINUATION GRANT
WV	2	EAST PANHANDLE RPDC	01051109969	50,000	040690A	PLG CONTINUATION GRANT
WV	2	REGION 7 PDC	01051107569	60,000	050190A	PLG CONTINUATION GRANT
WV	2	REGION 8 PDC	01051105269	55,000	061590A	PLG CONTINUATION GRANT
WV	3	BCKP REG INTERGOVT CNCL	01051106369	55,000	061590A	PLG CONTINUATION GRANT
WV	3	REGION 4 PDC	01051107769	55,000	061590A	PLG CONTINUATION GRANT
WV	3	STATE OF WV GOCID	012503119	147,000	082990A	ED-EDUCATION LINKAGE
WV	4	REGION 1 PDC	01051106569	55,000	052390A	PLG CONTINUATION GRANT
WV	4	REGION 2 PDC	01051111969	55,000	070590A	301B PLANNING GRANT
WY	1	LINCOLN-UINTA ASSN/GOVTS	05051113869	50,000	042790A	DSTRCT CONT PLANNG GRT
WY	1	SHOSHONE TRIBE-W. RVR.	05051507369	35,000	032690A	INDIAN CONT PLANNG GRT

BEST AVAILABLE COPY

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AL	2	SOUTHEAST AL RPDC	040603733	24,000	092890A	DEV PLAN:RECRUIT RETIREE
AL	3	AUBURN UNIVERSITY	040603698	45,000	020790A	EC T/A CTR:MGMT&T/A
AL	7	UNIV OF ALABAMA	040603755	100,000	090590A	UNIVERSITY CENTER
AR	1	AR STATE UNIVERSITY	08060270001	100,000	091890A	UV CTR ECON. DEV. CTR.
AZ	2	UNIV OF ARIZONA	07060297504	100,000	070290A	UV CTR ARIZONA
AZ	3	NORTHERN ARIZONA UNIV	990607301	50,000	080290A	MARKETING INDIAN CRAFTS
CA	1	REDWOOD REGION EDC	070603189	30,000	040290A	FEAS/S HUMBOLDT BAY
CA	2	CA. STATE UNIV. CHICO	07060315801	100,000	061890A	UV CTR CA ST UNIV,CHICO
CA	2	SUPERIOR CA DEV COUNCIL	070603212	15,000	081790A	FEAS/S MODOC EVENT CTR.
CA	17	STATE CENTER COM.COLLEGE	07060318201	100,000	082290A	UV CTR FRESNO
CA	45	BRAWLEY, CITY OF	070603215	12,000	080290A	MGT/S COMM & INDUST STRG
CO		NATL CONF STATE LEGIS	990607316	98,242	092890A	EUROPEAN COMM ED POLICIES
CO	2	UNIV OF COLORADO	05060237401	44,000	060190A	UNIVERSITY CENTER
CO	3	REGION 10 LEAGUE FOR ECO	050602484	5,000	092890A	FEASIBILITY STUDY
CO	4	NATL TECHNOLOGICAL UNIV	99060729501	100,000	090690A	UNIVERSITY CENTER GRANT
DC	1	AM ASSOC COMM & JR COLL	990607298	100,000	020990A	RURAL LITERACY DEMO
DC	1	COMMUNITY INFO EXCHANGE	990607313	26,000	092890A	BUILD CAPACITY OF LOC LENDERS
DC	1	INNOVATION ASSOCIATES	990607304	58,805	091990A	LOCAL INITIATIVES
DC	1	NATL CNCL URBAN ECON DEV	99060729401	824	092690A	EXPANDING GLOBAL MARKETS
DC	1	NATL CNCL URBAN ECON DEV	990607310	175,000	092890A	KEEPING AMERICA COMPETIT
DC	1	NATL GOVERNOR'S ASSOC	990607308	95,429	092890A	PROMOTE/SUPPORT DEFENSE CONV
DC	1	NATL SCIENCE FOUNDATION	990607314	20,000	091990A	27TH INTERNATL GEO CONF
DC	1	NCI RESEARCH	990607317	79,680	092890A	ENHANCE CAPCTY SMALL/RUR COMM
DC	1	NORTHEAST-MIDWEST INST	990607307	88,251	090690A	REUSE OF INDUS SITES
DC	1	US DEPT OF AGRICULTURE	990607306	96,650	091490A	RURAL TOURISM DEV TRNG
DC	1	US DEPT OF AGRICULTURE	990607305	50,000	091390A	RURAL ECONOMIC DEV INST
DC	1	US DEPT OF AGRICULTURE	990607303	25,000	082190A	GUIDELINES TOURISM DEV
DC	1	US TRAVEL & TOURISM	990607300	7,500	012290A	INTERNATIONAL TOURISM
FL	2	FL A & M UNIVERSITY	040603763	100,000	092490A	MANAGEMENT & T/A
FL	2	FLORIDA STATE UNIV	040603689	46,000	021390A	FL EC DEV CTR:FL ST
FL	2	FLORIDA STATE UNIV (FHTIC)	040603701	50,000	040990A	AID ENTREPRENEUR BUS
GA	5	CLARK ATLANTA UNIVERSITY	040603754	80,000	082290A	MANAGEMENT & T/A
GA	5	GA TECH RESEARCH INST	040603758	44,000	091990A	UNIV CENTER PROGRAM
HI	1	HAWAII, STATE OF	070603224	20,000	082490A	FEAS/S COMMERCIAL CTR
HI	1	UNIV OF HAWAII	070603201	220,000	041890A	UV CTR HAWAII
IA	4	IOWA STATE UNIVERSITY	05060237001	44,000	032890A	UNIVERSITY CENTER
IA	4	WEDGE	050602423	24,000	092590A	RURAL RESEARCH PROJECT
ID	1	UNIV OF BOISE STATE	070603203	50,000	042590A	UV CTR BOISE STATE
IL	7	UNIV OF ILLINOIS	060602448	16,700	071390A	GREAT LAKES ECON DEV CON
IL	7	UNIV OF ILLINOIS	06060153915	56,000	091890A	UNIV CENTER/CONT GRANT
IL	9	COOK, COUNTY OF	060602446	25,000	080790A	FEAS/S LAND BANKING
IL	17	WESTERN ILL UNIVERSITY	060602494	7,808	092890A	REG PLANNING CONFERENCE
IL	17	WESTERN ILL UNIVERSITY	06060242801	100,000	092490A	UNIV CENTER/CONT GRANT
IN	8	UNIV OF SOUTHERN INDIANA	060602447	25,000	081290A	MKT/S TOURISM/ECON DEV
IN	9	INDIANA UNIVERSITY	06060206606	50,000	092490A	UNIVERSITY CENTER
KS	2	KANSAS STATE UNIVERSITY	050602421	24,000	090690A	PRODUCTIVE AGING STUDY
KS	3	UNIV OF KANSAS IPPBR	05060234402	100,000	081390A	UNIVERSITY CENTER
KY	2	OWENSBORO, CITY OF	040603720	16,000	082290A	ARPT ID PK MSTR PLN
KY	2	WESTERN KENTUCKY UNIV	040603765	100,000	092890A	UNIV CENTER PROGRAM
KY	6	BLUEGRASS ADD	040603735	24,000	082490A	FEAS STDY:BLUGRAS ID SUP
KY	6	EASTERN KENTUCKY UNIV	040603759	100,000	091090A	UNIV CENTER PROGRAM
LA	1	UNIV OF NEW ORLEANS	08060252204	41,000	092090A	UV CTR-ECON DEV/TECH AS
LA	2	XAVIER UNIV OF LOUISIANA	08060252804	100,000	092090A	UV CTR-ECONOMIC DEV CTR
MA	1	UNIV OF MASS/ COOP. EXT.	01060266306	42,000	071090A	UNIVERSITY CENTER RENEW
MA	10	SOUTHEASTERN REG PL&EDD	010603125	25,000	092190A	IND DEVELOPMENT STRATEGY
MD		NATL FED OF EXPORT ASSOC	990607311	60,000	092890A	EXPAND EXPORTS BY SM BUS
MD		WILLIAM NOTHDURFT ASSOC	990607302	28,005	091990A	SM BUS EXPORT DEVELOPMENT

TECHNICAL ASSISTANCE PROGRAM (CONT'D)

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
ME	1	CENTER FOR BUS & RSCH	01060287203	44,000	032690A	UNIVERSITY CENTER CONTIN
ME	2	PENOBSCOT INDIAN NATION	010603131	18,000	092790A	ICE ARENA RE-USE STUDY
MI	6	MICHIGAN STATE UNIV	06060224303	100,000	091790A	UNIVERSITY CENTER
MN	7	ST CLOUD STATE UNIV	06060235901	100,000	113089A	UNIVERSITY CENTER
MN	8	MINNESOTA CHIPPEWA TRIBE	060602434	23,250	091990A	FEAS/S IN CRFTS DOM &ABD
MO	4	MERAMEC RPC	050602432	25,000	092590A	STRATEGY TO DEVELOPE A R
MO	9	UNIV OF MISSOURI	05060236901	44,000	032790A	UNIVERSITY CENTER
MS	2	MS VALLEY ST. UNIV	040603761	100,000	091190A	UNIV CENTER PROGRAM
MS	5	UNIV OF SOUTHERN MS	040603762	100,000	091090A	UNIV CENTER PROGRAM
MT	1	CAM REDEV. CORP., INC.	050602454	15,000	092190A	FEASIBILITY STUDY
MT	1	MONTANA STATE UNIVERSITY	05060238701	100,000	081690A	UNIVERSITY CENTER PROGRA
NC		SO GROWTH POLICIES BD	990607315	120,000	092890A	EFFECTIVENESS OF STATE STRAT
NC	4	SO GROWTH POLICIES BOARD	990607309	29,500	091990A	CLEARINGHOUSE-NEWSLETTER
NC	11	WESTERN CAROLINA UNIV	04060347403	43,000	042490A	UNIV CTR PROG CONT
ND	1	DEVIL'S LAKE SIOUX TRIBE	050602430	15,000	080290A	FEASIBILITY STUDY
ND	1	LEWIS ANC CLARK EDD	050602422	7,000	071290A	ECONOMIC STRATEGY STUDY
ND	1	NORTH DAKOTA STATE UNIV	05060237501	85,000	090690A	UNIVERSITY CENTER
NE	1	NEBRASKA TA CENTER	05060238601	75,000	091990A	UNIVERSITY CENTER
NH	1	UNIV OF NEW HAMPSHIRE	01060276604	46,000	032990A	CONTINUE UNIV CENTER
NJ	10	RUTGERS,THE STATE UNIVER	01060276404	46,000	060190A	UNIVERSITY CENTER CONTIN
NJ	14	BAYONNE, CITY OF	010603135	25,000	092890A	FEASIBIL. STUDY-BAYONNE
NM	1	THE UNIV OF NEW MEXICO	08060249004	43,000	062990A	UV CTR-BUS RESOURCE CTR
NM	2	DONA ANA COUNTY	080602719	25,000	092890A	FEAS/S INTERMODAL FAC
NM	2	REGENTS OF NM STATE UNIV	080602745	100,000	092890A	UNIVERSITY CENTER ESTAB.
NM	3	NORTHWEST NEW MEXICO COG	07060323680	16,500	091990A	HYDROLOGY STUDY
NV	2	UNIV OF NEVADA-RENO	070603181	100,000	092590A	UV CTR NEVADA-RENO
NY	26	TA CENTER, SUNY	01060276304	45,000	041190A	UNIV CTR PLATTSBURGH NY
NY	27	CENTRAL NY RP&D BD	010603115	10,000	092790A	STERLING,CAYUGA CO IND P
NY	28	CORNELL U, DEPT AGRIC EC	01060300201	100,000	082490A	UNIVERSITY CENTER
OH	15	CTR PRESV OF WILD ANIMAL	060602479	25,000	092890A	MKT/S RES & TOURISM AREA
OH	19	CLEVELAND STATE UNIV	06060212705	75,000	092590A	UNIV CTR/CONT GRANT
OR	1	OREGON COASTAL ZONE MGT.	070603188	19,000	053090A	FEAS/S TILLAMOOK BAY
OR	2	EASTERN OREGON STATE COL	07060304003	100,000	061290A	UV CTR EASTERN OREGON
R	4	CCD BUSINESS DEVEL CORP	070603246	7,750	092190A	FACTBOOKS UPDATE/REV
PA	23	PENNSYLVANIA STATE UNIVE	01060276504	56,000	040590A	UNIVERSITY CENTER CONTIN
R	1	UNIV OF PUERTO RICO	01060281304	100,000	082490A	UNIVERSITY CENTER
C	2	BENEDICT COLLEGE	040603697	100,000	022190A	MSMT & T/A
C	2	SOUTH CAROLINA, STATE OF	040603736	25,000	080290A	TECH ASST:LCL GOVT
C	5	WINTHROP COLL SC BUS ADM	040603734	24,000	092890A	SM BUS INCUBATOR:MIN OWN
D	1	SOUTH DAKOTA STATE UNIV.	05060234502	100,000	081690A	UNIVERSITY CENTER
N	8	MEMPHIS STATE UNIV	04060348703	43,000	053190A	REG EC DEV CTR:MGMT&T/A
X	6	TX ENGR EXPERMNT STA/TBD	080602713	85,000	071290A	FEAS/S REGIONAL UV CTR
X	6	TX ENGRNG EXPERIMENT STA	08060262801	100,000	010990A	UNIV CTR OUTREACH CENTER
X	19	TEXAS TECH UNIVERSITY	080602714	25,000	080290A	FEAS/S AQUACULTURE
X	19	UNIV TEXAS/PERMIAN BASIN	08060258102	100,000	092090A	UV CTR ENERGY/ECON DIVER
X	21	UNIV TEXAS/SAN ANTONIO	08060249304	45,000	091290A	UV CTR FOR SOUTH TEXAS
A	1	HAMPTON UNIVERSITY	01060245108	100,000	081090A	UNIVERSITY CENTER CONT
A	8	STATE & FEDERAL ASSOC	990607299	26,300	031490A	SECURITIZATION OF LOANS
A	9	VA TECH DEPT OF PLANNING	01060300301	100,000	032790A	UNIVERSITY CENTER PROGRA
A	2	BELLINGHAM, CITY OF	070603195	11,250	070290A	FEAS/STUDY NW CNTR ART
A	5	WASHINGTON STATE UNIV	070603202	55,000	042490A	UV CTR WASHINGTON STATE
	15	UNIV OF WISC/MILW	060602500	100,000	092890A	UNIVERSITY CENTER
V	1	PARKERSBURG, CITY OF	010603103	18,000	083190A	ANALYZE INDUSTRIAL POTEN
V	2	WV INSTITUTE OF TECH.	010603136	100,000	092890A	UNIVERSITY CENTER
V	4	MARSHALL UNIV RESEARCH	01060257506	50,000	080890A	UNIVERSITY CENTER CONT
V	4	MARSHALL UNIV RESEARCH C	01060308480	197,000	052190A	FLEX MANUFACTURING SYS

RESEARCH AND EVALUATION PROGRAM

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
MA		MT AUBURN ASSOC, INC.	991013740	235,000	092890A	EVALUATE PUB WRKS PROG
CT	4	ASSOC OF UNIV TECH MGRS	990713737	58,952	092090A	TECHNOLOGY TRANSFER
DC	1	DEPT OF JUSTICE	990713739	250,000	092090A	TRANSFER OF FUNDS
DC	1	INTERNATL TRADE ADMIN	990713735	400,000	041790A	JAPAN EXPORT PROMOTION
DC	1	INTERNATL TRADE ADMIN	990713741	100,000	092690A	TRANSFER OF FUNDS
KS	2	UNIV OF KANSAS	991013736	129,769	053190A	EDA PLANNING PROG EVAL
MD	96	NOAA (SBIR)	990713738	14,913	073190A	SMALL BUS INNOVATION RES

TITLE IX PROGRAM

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
AK	1	COMMUNITY ENTERPRISE DEV	073903171	300,000	060690A	RECAP RLF
AL	1	ALABAMA-TOMBIGBEE REG COMM	040903752	30,000	081790A	SSED ADJUSTMENT STRATEGY
R	3	WESTERN ARKANSAS P & DD	08390249801	500,000	122089A	LTED/RLF RECAP
CA	5	SAN FRANCISCO, PORT OF	071903233	2,000,000	092890A	REPAIR COMMERCIAL PIER
CA	15	MERCED, COUNTY OF	07390298801	195,000	092890A	RECAP RLF
CA	16	HOLLISTER, CITY OF	070903205	75,000	031490A	REDEVELOPMENT PLAN
CA	16	SANTA CRUZ, CITY OF	070903206	75,000	031490A	REDEVELOPMENT PLAN
CA	16	SANTA CRUZ, CITY OF	071903228	2,000,000	092090A	DOWNTOWN PARKING GARAGE
CA	16	SANTA CRUZ, COUNTY OF	071903207	1,920,000	092890A	COUNTY JAIL CONVERSION
CA	16	WATSONVILLE, CITY OF	070903204	75,000	031490A	REDEVELOPMENT PLAN
C	1	ECONOMIC DEVELOPMENT ADM	993902495	3,961,189	091790A	CHICAGO AUDIT RESOLUTION
A	2	SOUTHWEST GEORGIA RDC	043903717	500,000	071390A	LTED RLF
A	2	UPPER EXPLORERLAND RPC	053902360	375,000	053190A	ESTABLISH RLF
A	4	AREA XV REGIONAL PLNG COMM	053902427	450,000	061490A	ESTABLISH RLF
A	5	ADAMS COMMUNITY EDC	050902399	45,500	013190A	SSED STRATEGY GRANT
N	1	NORTHWEST INDIANA RPC	06390218001	200,000	073090A	RECAP RLF
Y	5	GAMALIEL, CITY OF	041903680	487,500	050890A	SAN SWR COL&TRTMNT SYS
Y	6	BLUEGRASS ADD	040903746	30,000	092890A	SSED STRATEGY:PLT CLOS
A	1	JEFFERSON PARISH ED/PD	083902686	500,000	120589A	ESTABLISH REV. LOAN FUND
A	1	NOTHERN BERKSHIRES IPDC	010903096	30,000	092090A	ADJ. FEASIBILITY STRAT.
E	2	GREENVILLE, TOWN OF	010903095	45,500	082290A	ECON ADJUST. STRATEGY
I	9	MUSKEGON CNTY/WMS-RDC	060902364	60,000	060190A	STRATEGY GRANT
O	6	MO-KAN REGIONAL COUNCIL	053902359	400,000	052490A	ESTABLISH LTED/RLF
O	10	PERRYVILLE, CITY OF	051902437	1,386,439	091490A	EXTEND AIRPORT RUNWAY
S	1	NORTHEAST MISSISSIPPI P&DD	04390206103	350,000	053090A	RLF RECAP
S	4	CLAIBORNE CO/PORT GIBSON	040903673	30,000	120489A	SSED EC ADJ STRATEGY GRT
T	1	MONTANA, STATE OF	051902445	840,000	071390A	SSED IMPLEMENTATION
C	1	MID-EAST COMMISSION	043903682	300,000	031090A	RLF
C	4	NC DEPT CRIME/PUB SAFETY	041903751	800,000	092090A	SSED RLF:HURRICANE HUGO
C	11	HAYWOOD CO COMM	041903740	1,145,200	092890A	WSTWTR TRTMNT,WTR,SWR
J	14	JERSEY CITY E.D.C.	013903033	500,000	091490A	CAPITALIZE AN RLF
Y	34	YATES COUNTY	010903116	25,000	090690A	PREPARE AN ADJ. STRATEGY
	6	OHIO VALLEY RDC	06090218901	50,000	091490A	STRATEGY GRANT
	14	BARBERTON, CITY OF	063902391	300,000	090690A	ESTABLISH RLF
	18	CIC OF STEUBENVILLE AREA	063902501	300,000	092890A	REVOLVING LOAN FUND
	1	CLATSOP, COUNTY OF	071903194	75,000	092090A	STRENGTHEN LOCAL CAPACIT
	1	WARRENTON/PORT ASTORIA	071903208	752,330	092890A	COMMVCL FISH INFRASTRUC.
	2	CENTRAL OREGON INTERGOVT	07390277602	600,000	092890A	RECAP RLF
	5	OREGON DISTRICT 4 COG	070903193	25,000	050890A	LINN COUNTY ADJ STRATEGY
	5	OREGON DISTRICT 4 COG	07390282101	300,000	060190A	RECAP RLF
	4	INDIANA CO. BRD OF COMM.	011903056	1,000,000	020290A	ADJ. IMPL./CONST., RLF
	1	CULEBRA, MUNICIPALITY OF	011903130	1,750,000	092590A	INFRASTR. WORK/HURR HUGO
	1	EC DEV BANK FOR PUERTO RICO	013903111	1,000,000	091890A	HURRICANE HUGO RESPONSE
	1	VIEQUES, MUNICIPALITY OF	011903102	1,300,000	092090A	HURR. HUGO INFRASTRUCT.

BEST AVAILABLE COPY

ST	DIST	APPLICANT NAME	PROJECT NO.	EDA $	APPROVED	SHORT DESCRIPTION
SC	1	BERKLEY,CHARLESTON,DORCHESTR	041903706	375,000	060190A	RLF:HURRICANE HUGO
SC	1	CHARLESTON, CITY OF	041903716	1,938,357	092090A	SSED:HURRICANE HUGO
SC	1	EDISTO BEACH, TOWN OF	041903707	130,000	070690A	SWR SER:HURRICANE HUGO
SC	1	LOWCOUNTRY CNCL GOVTS	043903671	500,000	020290A	LTED - RLF
SC	1	MCCLELLANVILLE, TOWN OF	041903730	330,820	092890A	SSED IMPL:HURRICANE HUGO
SC	1	MT PLEASANT WATER WORKS & SEWER	041903732	1,629,000	092090A	SSED IMPL:HURRICANE HUGO
SC	2	ORANGEBURG COUNTY	041903714	166,750	092090A	HURRICANE HUGO:DIS GAS
SC	2	SC JOB-EC DEV AUTH	041903729	1,000,000	092090A	SSED RLF:HURRICANE HUGO
SC	2	SC,ST/DIV INTERGOVT REL	041903728	124,500	081790A	SSED STRAT:HURRICNE HUGO
SC	3	CLEMSON UNIVERSITY	040903718	165,000	080890A	SSED:HURRICANE HUGO
SC	5	GREAT FALLS, TOWN OF	041903731	660,000	091890A	SSED IMPL:HURRICANE HUGO
SC	6	BERKELEY COUNTY	041903711	644,850	081790A	WASTEWATER PUMP STA:HUGO
SC	6	CONWAY, CITY OF	041903727	450,000	092890A	SSED IMPL:HURRICANE HUGO
SC	6	FLORENCE COUNTY	041903724	187,300	092890A	SSED IMPL:HURRICANE HUGO
SC	6	GEORGETOWN CO W/S DIST	041903703	971,130	053190A	WTR/SWR:HURRICANE HUGO
SC	6	GRAND STRAND WTR/SWR AUT	041903712	222,500	070690A	PMP STA:HURRICANE HUGO
SC	6	LAKE CITY, CITY OF	041903726	750,000	092890A	SSED IMPL:HURRICANE HUGO
SC	6	LAMAR, TOWN OF	041903725	860,000	092890A	SSED IMPL:HURRICANE HUGO
TN	1	FIRST TENNESSEE DEV DIST	043903679	500,000	053190A	LTED/RLF
TN	5	GREATER NASHVILLE REG CNCL	04390330901	250,000	060190A	LTED RLF RECAP
TN	6	UPPER CUMBERLAND DD	04390330402	250,000	040290A	RLF RECAP
TX	11	CENTRAL TEXAS EDD	083902685	500,000	120589A	LTED/RLF FOR 6 ENTITIES
UT	1	SOUTHEASTERN UTAH EDD	050902408	50,000	053190A	SSED STRATEGY GRANT
VA	9	CUMBERLAND PLATEAU CO.	011903022	1,000,000	122089A	IMPLEMENTATION/IND PARK
VA	9	PULASKI, COUNTY OF	010903094	24,000	081790A	ECON ADJUSTMENT STR.
VI	1	VIRGIN ISLANDS DEPT OF ECON DEV	011903104	600,000	092790A	HUGO RECOVERY
VI	1	VIRGIN ISLANDS DEPT OF ECON DEV	011903112	1,800,000	092790A	HURRICANE HUGO/BLDG CONS
VI	1	VIRGIN ISLANDS DEPT OF ECON DEV	011903128	2,500,000	092790A	CONST. BLDG/ HURR. HUGO
VT	1	TROY, TOWN OF	011903065	993,000	041790A	ADJ IMPLEM/SEWAGE SYSTEM
WI	1	KENOSHA CNTY/AREA DEV CP	061902444	1,000,000	071390A	IMPLEMENTATION GRANT
WI	1	RACINE, COUNTY OF	063902415	400,000	051490A	REVOLVING LOAN FUND
WV	2	GRANT COUNTY COMMISSION	010903093	24,000	101790D	ADJUSTMENT STRATEGY
WY	0	LINCOLN-UINTAH AOG	053902428	200,000	061490A	ESTABLISH RLF

EDA-FUNDED UNIVERSITY CENTERS

STATE	SPONSORING INSTITUTION
Alabama	Auburn University Auburn, AL
	University of Alabama Tuscaloosa, AL
Alaska	No funded University Center
Arizona	University of Arizona Tucson, AZ
Arkansas	Arkansas State University State University, AR
California	California State University Chico, CA
	State Center Community College District Fresno, CA
Colorado	University of Colorado Boulder, CO
	National Technological University Fort Collins, CO
Connecticut	No funded University Center
Delaware	No funded University Center
Florida	Florida State University Tallahassee, FL
	Florida A & M University Tallahassee, FL (HBCU)
Georgia	Clark-Atlanta University Atlanta, GA (HBCU)
	Georgia Institute of Technology Atlanta, GA
Hawaii	University of Hawaii Honolulu, HI
Idaho	Boise State University Boise, ID
Illinois	University of Illinois Chicago, IL
	Western Illinois University Macomb, IL

Indiana	Indiana/Purdue University Indianapolis, IN
Iowa	Iowa State University Ames, IA
Kansas	University of Kansas Kansas State University Lawrence/Manhatten, KS (Jointly operated Center)
Kentucky	University of Kentucky Lexington, KY
	Eastern Kentucky University Richmond, KY
	Western Kentucky University Bowling Green, KY
Louisiana	University of New Orleans New Orleans, LA
	Xavier University New Orleans, LA (HBCU)
Maine	University of Southern Maine Portland, ME
Maryland	Morgan State University Baltimore, MD (HBCU)
Massachusetts	University of Massachusetts Amherst, MA
Michigan	Michigan State University Lansing, MI
Minnesota	St. Cloud State University St. Cloud, MN
Mississippi	Mississippi Valley State University Itta Bena, MS (HBCU)
	University of Southern Mississippi Hattiesburg, MS
	Mississippi State University Mississippi State, MS
Missouri	University of Missouri Columbia, MO
Montana	Montana State University Bozeman, MT

Nebraska	University of Nebraska Lincoln, NE
Nevada	University of Nevada Reno, NV
New Hampshire	University of New Hampshire Manchester, NH
New Jersey	Rutgers, The State University Newark, NJ
New Mexico	University of New Mexico Albuquerque, NM
	New Mexico State University Las Cruces, NM
New York	State University of New York Plattsburgh, NY
	Cornell University Ithaca, NY
North Carolina	Western Carolina University Cullowhee, NC
North Dakota	North Dakota State University Fargo, ND
Ohio	Cleveland State University Cleveland, OH
Oklahoma	No funded University Center
Oregon	Eastern Oregon State College LaGrande, OR
Pennsylvania	Pennsylvania State University University Park, PA
Puerto Rico	University of Puerto Rico Mayaquez, PR
Rhode Island	No funded University Center
South Carolina	Benedict College Columbia, SC (HBCU)
South Dakota	South Dakota State University Brookings, SD
Tennessee	Memphis State University Memphis, TN

Texas	University of Texas San Antonio, TX
	University of Texas/Permian Basin Odessa, TX
	Texas A & M University College Station, TX
Utah	No funded University Center
Vermont	No funded University Center
Virginia	Hampton University Hampton, VA (HBCU)
	Virginia Polytechnic Institute and State University Blacksburg, VA
Washington	Washington State University Pullman, WA
West Virginia	Marshall University Huntington, WV
	West Virginia Institute of Technology Montgomery, WV
Wisconsin	University of Wisconsin Milwaukee, WI
Wyoming	No funded University Center

Note:

HBCU: Historically Black Colleges and Universities

2. New University Centers established in FY 1990 were

KY Western Kentucky University
Bowling Green, KY

NM New Mexico State University
Las Cruces, NM

NV University of Nevada
Reno, NV

WI University of Wisconsin
Milwaukee, WI

WV West Virginia Institute of Technology
Montgomery, WV

3. University Centers at Historically Black Colleges and Universities

FL Florida A&M University
Tallahassee, FL

GA Clark-Atlanta University
Atlanta, GA

LA Xavier University
New Orleans, LA

MD Morgan State University
Baltimore, MD

MS Mississippi Valley State University
Itta Bena, MS

SC Benedict College
Columbia, SC

VA Hampton University
Hampton, VA

4. Three University Centers were scheduled to receive final EDA funding during FY 1990. However, these and other Centers will be eligible for funding in FY 1991 at the level they received during FY 1990. (Note. The University of Alaska, Juneau, and the University of Michigan, Ann Arbor, voluntarily withdrew from the program and did not apply for FY 1990 funding. Also, in FY 1990 EDA notified the University of Kentucky, Lexington, that its University Center would not be refunded. The University of Kentucky received no FY 1990 funding and its present grant expires on January 31, 1991.)

5. No Centers have been graduated.

federal register

Thursday
December 20, 1990

Part III

Department of Commerce

Economic Development Administration

Economic Development Assistance Programs; Availability of Funds; Notice

DEPARTMENT OF COMMERCE

Economic Development Administration

[Docket No. 900952-0252]

Economic Development Assistance Programs as Described in Public Law 101-515, Departments of Commerce, Justice, State, the Judiciary, and Related Agencies Appropriations, 1991; Availability of Funds

AGENCY: Economic Development Administration (EDA), Commerce.

ACTION: Notice.

SUMMARY: The Economic Development Administration (EDA) announces its policies and application procedures for funds available in FY 1991 to support projects designed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions of the Nation and to address economic dislocations resulting from sudden, major job losses. The purpose of this announcement is to communicate to potential applicants for EDA funds the policies and procedures that will be used to administer the Agency's programs during FY 1991.

I. General Policies

Because of the existing statutory criteria and a Congressional prohibition against terminating eligibility, areas containing approximately 90 percent of the U.S. population are eligible for EDA assistance, which in FY 1991 totals less than $209 million. Priority consideration for funding will be given only to those projects having the best potential to benefit areas experiencing or threatened with the most severe economic distress. EDA is particularly interested in projects located in Federally authorized and designated enterprise zones. Distress may exist in a variety of forms, including exceptionally high unemployment rates, extremely low income levels, abnormally large concentrations of low income families, particularly low labor force participation rates, unusually large numbers (or high rates) of business failures or farm loan foreclosures, high farm credit delinquencies, sudden major layoffs and/or plant closures, and drastically reduced tax bases. Potential applicants are responsible for demonstrating to EDA, through the provision of statistics and other appropriate information, the nature and level of the distress their efforts are intended to alleviate. In the absence of evidence of exceptionally high levels of distress, EDA funding is unlikely. In considering proposals to benefit severely distressed areas, EDA will give special consideration to those that address the needs of rural communities, particularly aid directed toward the economic diversification of such areas.

EDA recognizes that small communities experience impediments to economic development other than the traditional inadequacies of existing water, sewer and roadway systems; therefore, in FY 1991, EDA will give consideration to atypical EDA projects that would assist an area to overcome a special development or infrastructure problem that is preventing real growth and economic development from taking place. Such projects include, but are not limited to activities designed to enhance the expansion of the service sector of the economy when that sector is deemed more growth oriented than the traditional industrial sector, or innovative projects designed for the development of solid waste disposal recycling facilities. Such proposals must be appropriately scaled and provide substantial and direct benefit to the local economy or otherwise enhance the economic prosperity of the area. EDA will consider providing assistance to demonstration type projects that are especially creative from an economic development standpoint and that leverage the maximum amount of nonfederal resources. EDA expects substantial state and local support for proposed projects. Proposals that do not provide evidence of strong state and local leadership and financing are unlikely to receive EDA aid.

In the case of projects involving construction, EDA expects construction to be initiated and completed in a timely manner. Applicants are expected to anticipate predictable delays such as those caused by normal weather conditions, legal complications, community disputes, land acquisition, etc., and account for them in developing project schedules. Projects which are likely to encounter significant delays will normally not be given favorable consideration. Projects that experience unreasonable delays following EDA approval may be terminated and the funds deobligated. These policies are consistent with EDA's objective of supporting activities that can begin to benefit local economics as soon as possible, thereby meeting the pressing development needs identified by project applicants. EDA expects those responsible for developing and managing projects to maximize the impact of the public funds by preparing and implementing projects as thoroughly and expeditiously as possible. EDA funding will not be used directly or indirectly to assist employers who transfer one or more jobs from one commuting area to another. EDA nonrelocation requirements (13 CFR 309.3) apply to grants involving construction, rehabilitation or repair, and to all loan guarantees and grants, under titles I, IV, IX, and section 301(f) of the Public Works and Economic Development Act of 1965 (Pub. L. 89-136, 42 U.S.C. 3121-3246h), as amended, PWEDA, (including grants for Revolving Loan Funds, under title IX). Applicants who have delinquent accounts receivable with the Federal Government may not be considered for future awards until these debts have been paid or arrangements to pay them have been approved by the agency to whom the debt is owed. Applicants may be subject to a pre-award accounting system survey by the Department of Commerce's Office of Inspector General, and fund recipients may be subject to audits or other inspections by the same office.

Applicants eligible for assistance because of membership in an economic development district must be active participants in the district economic development planning process. EDA will evaluate applications for conformance with published statutory, regulatory, and policy requirements. Applications proposed for funding under these programs are subject to the requirements of Executive Order 12372, "Intergovernmental Review of Federal Programs."

An invitation to submit a formal application does not assure EDA funding. Factors that will be taken into account in considering projects eligible and competitive include whether and to what extent the project meets the selection criteria. Unsuccessful applicants will be notified of the status of their applications when all of EDA's funds for the program to which they have applied have been awarded. Processing time for project proposals will depend on the completeness of information provided in the application form and supporting documents at the time of submission. Project proposals that require additional information from applicants or other sources will be returned to correct deficiencies and the official application receipt dates will be adjusted accordingly.

EDA will avoid projects that involve actual or potential conflict-of-interest situations. If EDA identifies or suspects a possible conflict-of-interest situation, or an appearance of such, application processing and/or grant award may be suspended and the burden will be on the applicant/grantee to take appropriate steps to eliminate the perception of a conflict of interest before application processing and/or the grant is resumed.

Section 319 of Public Law 101–121 generally prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. A "Certification for Contracts, Grants, Loans and Cooperative Agreements" and the SF-LLL, "Disclosure of Lobbying Activities" (if applicable), is required to be submitted with the application.

Applicants are subject to Governmentwide Debarment and Suspension (Nonprocurement) requirements as stated in 15 CFR part 26. In accordance with the Drug-Free Workplace Act of 1988, each applicant must make the appropriate certification as a "prior condition" to receiving a grant or cooperative agreement.

Applicants should be mindful that a false statement on the application may be grounds for denial or termination of funds and grounds for possible punishment by a fine or imprisonment.

Awards under these programs shall be subject to all Federal and Departmental regulations, policies, and procedures applicable to Federal assistance awards.

The following material describes other policies and procedures associated with each of EDA's programs.

II. Program: Public Works and Development Facilities Assistance

(Catalog of Federal Domestic Assistance: 11.300 Economic Development Grants and Loans for Public Works and Development Facilities, 11.304 Economic Development Public Works Impact Program (PWIP))

Summary

Funds available under the Public Works Program are used to finance public works and development facilities that contribute to the economic development of distressed areas. EDA's public works expenditures are authorized by titles I and IV of the Public Works and Economic Development Act of 1965, as amended (PWEDA), 42 U.S.C. 3131 and 42 U.S.C. 3171(a)(3).

Eligibility

Eligibility applicants under this program include any state, or political subdivision thereof, Indian tribe, the Federated States of Micronesia, the Republic of the Marshall Islands, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands, or private or public nonprofit organization or association representing any redevelopment area or part thereof, if the project is located within an EDA-designated redevelopment area. Redevelopment areas, other than those designated under the Public Works Impact Program, must have a current EDA-approved Overall Economic Development Program (OEDP).

Political entities claiming eligibility under OEDPs developed by multicounty economic development organizations are expected to continue to participate actively in the organization. Further information on areas eligible for this program is available from EDA's Regional Offices. Nonprofit applicants are urged to seek the cooperation and support of units of local government and, when deemed appropriate by EDA, to have the local government serve as co-applicant for EDA assistance. This serves the purposes of ensuring the financial stability and continuity of the project after its construction and during its useful life, in the event the nonprofit entity finds itself in a position of not having the financial resources to properly and efficiently administer, operate and maintain the EDA-assisted facility consistent with the provisions of 13 CFR part 314-Property Management Standards.

Program Objective

The purpose of the Public Works Program is to assist communities with the funding of public works and development facilities that contribute to the creation or retention of private sector jobs and to the alleviation of unemployment and underemployment. Such assistance is designed to help communities achieve lasting improvement by stabilizing and diversifying local economies, and improving local living conditions and the economic environment of the area. EDA emphasizes the alleviation of unemployment and underemployment among residents of the project area as a primary focus of this program. In view of the current rural distress, applications from rural communities will be reviewed with particular interest.

Funding Availability

Funds in the amount of $140.825 million are available for this program.

Funding Instrument

EDA may provide grants with maximum EDA participation of 80 percent of project costs. On an average, EDA grants cover approximately 50 percent of project costs. Applicants will be required to provide the local share from acceptable sources including, but not limited to, cash, local government general obligation or revenue bonds; Community Development Block Grant (CDBG) entitlement funds or balance of state awards; Farmers Home Administration loans; and other public and private financing, including donations. The local share need not be in hand at the time of application; however, the applicant must have a firm commitment from identified sources, and the funds must be readily available.

The local share must not be encumbered in any way that would preclude its use consistent with the requirements of the grant agreement. Priority will be given to applications which maximize the local share's percentage of the project cost. Supplementary grant assistance to finance more than 50 percent of project costs will only be approved by EDA for projects in areas of high distress. Decisions on such assistance will be based on the nature of the project, the amount of fair user charges or other revenues the project may reasonably be expected to generate, the ability of the applicant to fund the project costs, and the relative needs of the project (see 13 CFR 305.5).

Selection Criteria

For both regular Public Works projects and Public Works Impact Program (PWIP) projects, priority consideration will be given to those which are the most competitive based upon the project selection criteria set forth below, that best meet the needs of eligible areas, and that are located in areas of severe economic distress.

A. Public Works Projects

Factors that will be taken into account in considering projects eligible under section 101(a)(1)(A)—(C) of PWEDA, 42 U.S.C. 3131(a)(1)(A)—(C), include whether and to what extent the project:

1. Improves opportunities for the successful establishment or expansion of industrial or commercial facilities in the area where such project will be located;

2. Assists in creating or retaining private sector jobs in the near term and assists in the creation of additional long-term employment opportunities, provided the jobs are not transferred from any other area of the United States, and will result in a low cost per job in relation to total EDA cost;

3. Benefits the long-term unemployed and members of low-income families who are residents of the area to be served by the project;

4. Fulfills a pressing need of the area or part thereof, in which it will be located;

5. Is consistent with the EDA approved Overall Economic Development Program (OEDP) for the area in which it is, or will be, located, and has broad community support;

6. Is supported by significant private sector investment;

7. Has adequate local share of funds with evidence of firm commitment and availability;

8. Supports developments taking place in designated enterprise zones, particularly in rural areas;

9. Demonstrates that necessary permits, land acquisitions, or options on land and rights-of-way have been obtained and that all other legal requirements of the application process have been satisfied;

10. Includes a larger local share than the minimum required; and maximizes the amount of local and/or State funding possible; and

11. Gives evidence of the ability to begin and complete construction in a timely manner in accordance with a schedule to be agreed upon by EDA and the applicant and included in the grant award. EDA discourages the start of construction prior to grant award and cautions that financial hardship may be experienced by applicants whose projects are not ultimately approved because of compliance deficiencies or lack of competitiveness with other proposals. EDA will require all applicants that request approval to proceed with construction prior to grant award to acknowledge that they are proceeding at their own risk without recourse to EDA should the grant not be awarded and/or EDA requirements not be met. Furthermore, EDA may view the start of construction prior to grant award as an indication that the grant funds are not essential for the successful development of the project.

B. Public Works Impact Program

Factors that will be taken into account in considering projects under the Public Works Impact Program (PWIP) authorized by section 101(a)(1)(D) of PWEDA, 42 U.S.C. 3131(a)(1)(D), include whether and to what extent the project:

1. Directly assists in creating immediate useful work (i.e., construction jobs) for the unemployed and underemployed residents in the project area;

2. Improves the economic or community environment in areas of severe economic distress;

3. Includes a specific plan (i.e., PWIP Employment Strategy) for hiring the unemployed and underemployed persons from the project area to work on the construction of the project; EDA will evaluate all plans to ensure that they contain a logical explanation of how the employment objectives will be met;

4. Assists in providing long-term employment opportunities or other economic benefits for the unemployed and underemployed in the project area;

5. Primarily benefits low-income families by providing essential community services, or satisfying a pressing public need;

6. In addition to the requirement for regular public works projects, as contained in paragraph A.11, can begin construction quickly (normally within 120 days after acceptance of the grant by the applicant); and

7. Has substantial labor intensity, where labor intensity is the proportion of labor costs to the total project costs.

C. Industrial Park Projects

Projects which will primarily serve an industrial park or site will be evaluated on such additional factors as:

1. A detailed analysis of existing industrial park capacity and utilization; occupancy rates for existing developed industrial acres currently available within a 25-mile radius of the project site. For cities with populations over 50,000, the prescribed area may be determined by an analysis of industrial sites within an established industrial area, which may be less than a 25-mile radius. Contact the economic development representative (EDR) for the area or the appropriate EDA regional office for guidance.

2. Commitments in writing from identified tenants to expand existing operations or to locate in the industrial park or site. Commitments must include a description of the industry, the number of jobs created or saved, and an implementation schedule, and the relationship of the commitment to the requested grant assistance.

3. The existence of a concrete marketing strategy and demonstrated financial ability to market space in the industrial park or site. Strong emphasis will be placed upon this requirement.

D. Tourism Projects

EDA will support tourism or recreational projects, where it can be demonstrated to EDA's satisfaction that tourism is a major industry in the area or that the project will assist in creating a significant number of jobs, in which case, the project must directly assist in providing job opportunities for unemployed and underemployed persons of the area and otherwise support the long-term growth of the area.

E. Favorable Consideration Is Not Likely for Projects Which

1. Are in areas with unemployment rates below the national average, unless it can be demonstrated to EDA's satisfaction by other more appropriate measures that the area is suffering substantial distress and economic hardship;

2. Are in pockets of economic distress surrounded by economically affluent areas;

3. Are in Economic Development Centers that have stable economies with little distress, unless the application includes an Employment Strategy that contains a logical explanation of how new job opportunities will be created for and filled by residents of nearby highly distressed redevelopment areas;

4. Do not benefit the long-term unemployed or members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

5. Cannot be implemented within a reasonable period of time;

6. Involve substantial land purchase, or land purchases involving exorbitant costs; EDA prefers not being involved with land purchases;

7. Do not have the applicant's share of project funding readily available;

8. Involve industrial parks where there is evidence of excessive vacancies in existing developed industrial parks or sites in close proximity to the proposed project, unless there is significant evidence the proposed project is targeted to types of firms not readily accommodated or served by the existing industrial parks and firm commitments to locate in the industrial park exist;

9. Involve industrial parks that are owned and operated by individuals or for-profit entities as opposed to publicly owned facilities;

10. Involve vocational-technical schools unless a direct link has been established between the training curriculum and the needs of existing local employers or those committed to locate in the labor market area;

11. Require a mortgage to be placed on the real property or the facility to be constructed/improved with EDA funds;

12. Request additional financial assistance from EDA to finance cost overruns;

13. Involve nonindustrial street/road construction or repair that is normally the responsibility of local government, county, or Federal highway programs;

14. Involve public buildings including, but not limited to judicial buildings, courthouses, jails, fire stations, hospitals, medical clinics, social service

buildings, civic auditoriums, convention centers, museums, and theaters;

15. Involve parking garages and pedestrian walkways (elevated or ground level);

16. Involve land reclamation that primarily involves subsurface demolition and site cleanup activities; or

17. Involve beautification projects.

Construction Project Implementation

As indicated in the first section of this Notice, EDA expects construction projects to be initiated and completed in a timely manner and in accordance with the schedule agreed upon in the grant documentation. The recipient will be responsible for promptly notifying EDA of any events that prevent adherence to the approved schedule. The recipient must also provide an explanation of why the events were beyond its ability to predict or control and obtain EDA's approval of changes in the schedule prior to proceeding with project implementation. EDA expects recipients to anticipate predictable delays (such as those caused by land acquisition problems, local financing requirements, normal weather conditions in the area, acquisition of state permits and approvals, and public objections to the project), and to take them into account in preparing the project schedule. Recipients who fail to comply with project schedules shall be subject to grant suspension and/or termination.

Under most circumstances, EDA will not provide additional funds to finance overruns that occur during project implementation.

Proposal Submission Procedures

To establish the merits of project proposals, interested parties should first contact the economic development representative for the area. The EDA regional office can provide the name, address and telephone number of the economic development representative for the area who will provide a preapplication form (ED-101P, OMB Approval No. 0610-0011) and arrange for conferences to discuss the proposal. EDA will screen proposals before inviting the submission of a formal application. Proposals will be evaluated based upon:

1. Conformance with statutory and other legal requirements and with the selection criteria mentioned above;

2. The merits of the proposal in addressing the relative economic development needs of the eligible area; and

3. The availability of funds as allocated to the regional offices.

Processing time for project proposals will depend on the completeness of information provided in the preapplication form and supporting documents at the time of submission. Project proposals that require additional information from applicants or other sources will be returned to correct deficiencies and the official application receipt dates will be adjusted accordingly.

Formal Application Procedures

Following a review of project proposals, EDA will invite entities whose projects are selected for consideration to submit formal applications. The formal application will include a form ED-101A, as approved by the Office of Management and Budget Control No. 0610-0011.

Previous Applications

Project applications invited, but not funded in FY 1990, remain eligible for funding consideration. Those applications which were received prior to the date of this Notice, will be processed and evaluated in accordance with the project selection criteria published for FY 1990 and current legal requirements. Those applications received on or after the date of this Notice, must be consistent with the project selection criteria and requirements published in this Notice. Applicants whose projects were invited but not submitted to EDA in FY 1990 should contact the appropriate EDA regional office regarding forms to be used for FY 1991.

Further Information

For further information contact the appropriate EDA regional office (see section XI of this Notice).

III. Program: Guaranteed Loans

(Catalog of Federal Domestic Assistance: 11.301 Economic Development—Business Development Assistance)

Summary

Authority is available to guarantee up to eighty percent (80%) of the principal and interest of loans made by eligible commercial lending institutions to private borrowers for the purchase of fixed assets and/or for working capital purposes for projects located in areas eligible for EDA assistance. EDA loan guarantees are made available to help business expand, establish, or maintain operations in both rural and urban eligible areas throughout the Nation. Guarantees offered under this program are made at the discretion of the Assistant Secretary for Economic Development based upon data from the borrower and lender current at the time the guarantee is offered, under the authority of Public Law 89–136, (42 U.S.C. 3142–3246 (h)).

Preapplication Procedures

Applicants should contact either the Austin or Philadelphia Regional Office Business Loans Division to discuss their proposals. EDA staff will screen proposals before inviting a formal application. Proposals will be evaluated based upon conformance with the following:

1. Statutory requirements contained in the Act;

2. Regulatory requirements contained in 13 CFR part 306 and 309; and restated in this Notice; and

3. Provisions of Office of Management and Budget (OMB) Revised Circulars A-70 and A-129.

Revised OMB Circulars A-70 and A-129 Requirements

All loan guarantees must conform to the requirements of A-70 and A-129, without exception. The most significant requirements are as follows:

1. Loans must be secured by first priority, unsubordinated liens on collateral having value in excess of the full amount of the loan.

2. A guarantee fee will be charged.

3. Not more than eighty percent (80%) of the principal and the interest on a loan may be guaranteed.

4. The lender must bear a significant portion of the risk of loss on the loan. No other security, guarantees, or any other arrangement that would not insure ratably to EDA for that portion of the loan not guaranteed by EDA will be permitted.

5. No loan directly involved with tax-exempt obligations, such as industrial revenue bonds, will be guaranteed.

Supplementary Information

A. Amount of Funding Available

EDA is authorized to commit up to $150 million to guarantee contingent liability for loan principal in FY 1991.

B. Type of Financial Assistance

EDA staff will consider proposals for the guarantee of loans made by private lending institutions to private borrowers to finance fixed assets or for working capital purposes. EDA staff will not accept applications for projects which involve real estate development for either investment or speculation, or for the refinancing of current debt.

C. Who May Apply

Formal applications will be invited by EDA staff only after review and acceptance of satisfactory project proposals. Applications will be accepted only from private lending institutions (the applicant) for the guarantee of loans to private business enterprises. EDA's relationship is essentially with the lender applicant, not the borrower.

D. Long-Term Employment

EDA staff will seek to assist in the creation or retention of permanent private-sector jobs in EDA eligible areas. Accordingly, the project for which the applicant seeks financial assistance must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the eligible area where the project is or will be located.

E. Repayment Ability

The private lender and EDA must find that there is reasonable assurance of repayment of the guaranteed loan.

F. EDA Guarantee Required

No loan will be guaranteed by EDA unless the application is supported by evidence that the financial assistance applied for is not otherwise available to the prospective borrower from either private lenders without a guarantee or from other Federal agencies on terms which, in the opinion of EDA, will permit accomplishing the project. In the event the borrower is a large corporation, which would normally have funds available to finance the project, such corporation must certify that it would not locate the proposed project within the EDA-designated area without the benefits of EDA's financial assistance.

G. Relocation

Nonrelocation requirements apply to guaranteed loans under section 202, title II of PWEDA. EDA's regulations at 13 CFR 309.3 prohibit transferring jobs from one commuting area to another. Certificates of nonrelocation will be required.

General Conditions of Assistance

A. Term of Loan

The term of a guaranteed fixed asset loan cannot exceed the weighted average estimated useful economic life of the project fixed assets, but in no event can the term of such a loan exceed twenty-five (25) years. The term of a guaranteed working capital loan ordinarily may not exceed five (5) to seven (7) years, and the loan should be fully amortized during its term. EDA will not ordinarily guarantee revolving-type or open-end working capital loans.

B. Guarantee Percentage and Interest Rate

Pursuant to A-70, EDA may guarantee up to eighty percent (80%) of the face value of a loan. However, applicants requesting an eighty percent (80%) guarantee will be required to justify why a lesser guarantee percentage would not be acceptable. As a general rule, EDA will not offer to guarantee a loan in excess of the following percentages and interest rates:

1. 80% guarantee—Lender prime rate plus 1.25%
2. 75% guarantee—Lender prime rate plus 1.50%
3. 70% guarantee—Lender prime rate plus 2.0%
4. 65% guarantee—Lender prime rate plus 2.5%

C. Guarantee Fee

Pursuant to OMB Circulars A-70 and A-129, EDA will charge the lender a guarantee fee.

D. Application Fee

EDA may charge an application processing fee to cover the costs of application processing and review.

E. Lender's Risk

That portion of the loan not guaranteed by EDA must be at risk to the recipient throughout the term of the loan. This precludes the recipient from obtaining any additional security, guarantee, or compensating balances to separately secure the unguaranteed portion of the loan. This does not preclude normal loan participation arrangements by the lender, provided that any such participation is acceptable to EDA. EDA staff will be obligated to deal only with the recipient, and all participants must be eligible as recipients.

F. Other Lender-Borrower Relationships

When recipient has other creditor/debtor relationships with the prospective borrower, EDA staff will seek assurances that these relationships will not create conflicts with EDA's interest in the recipient's servicing of the loan for which a guarantee is sought. Ordinarily, EDA staff will not accept an application from an applicant who has existing short-term revolving working capital financing extended to the borrower.

G. EDA Investment Per Job

EDA staff normally will consider only those projects that have an EDA investment exposure of $20,000 or less per permanent job to be created or saved.

H. Repayment Ability

Only projects that demonstrate reasonable assurance of repayment are eligible to receive EDA financial assistance. The applicant must demonstrate why it is reasonably certain the borrower will be able to repay the loan. As a minimum, the application must include:

1. Applicant's normal detailed credit analysis, including a narrative discussion of company history, management, product, production capability, market conditions, finances, collateral, and repayment ability (with ratio analyses compared to industry standards);
2. Three (3) years' financial statements, audited and certified by a public accountant, if available, or certified by a responsible officer of the prospective borrower; if in operation less than three years, financial statements since inception;
3. Financial statements of the prospective borrower, current within ninety (90) days of the date of the application;
4. Pro forma balance sheets, income and cash flow statements of the prospective borrower on a month-by-month basis for the first year after the loan is made and on a quarterly basis for the next two (2) years;
5. One copy of the proposed note and loan agreement between the applicant and the prospective borrower with attachments; and
6. For loans involving real estate collateral, a certification from the lender/borrower that it is satisfied that there are no hazardous substances problems (Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA)).

I. Adequate Collateral

The lender must maintain perfected liens against and security interests in collateral adequate to permit full recovery of the loan in the case of default by the borrower. Collateral must be of such nature that repayment of the loan is reasonably assured when considered along with the integrity and ability of project management, soundness of the project and borrower's prospective earnings. The applicant must document why it is reasonably certain that adequate collateral coverage exists. Only projects that demonstrate that the full amount of the loan is covered exclusively by an unsubordinated first priority security interest on collateral offered by the borrower will be considered. There will be no exceptions to this requirement.

Proof and documentation of collateral coverage shall include but not be limited to current appraisals as to the fair market and liquidation value of the collateral that will support the loan. If the purchase of new machinery and equipment constitutes all or part of the prospective project cost, current cost data for such assets may be submitted in lieu of an appraisal. Where real property is to be pledged as collateral, a description and evidence of ownership must be included with appraisals acceptable to EDA. All real property appraisals shall include appropriate recognition of environmental risks.

J. Guarantees

Unconditional personal/corporate guarantees (of full and timely payment and performance by the borrower) will be required from all persons or entities which hold or control ten percent or more of the ownership interests in a borrower unless:

1. The borrower has a profitable historical performance of no less than three out of the most recent five years, abundant collateral, adequate cash flow, and meets key industry standards (i.e., Robert Morris Associates);

2. Borrower's stock is so widely held that no one individual/family/entity can exercise control;

3. Borrower's parent, subsidiary, or affiliate that is required to guarantee is legally restricted from guaranteeing, or such guarantee would conflict with other existing contractual obligations of the prospective guarantor.

Cross guarantees may also be required from related corporate entities.

EDA will require current (not over ninety days old at the time the application is filed) personal or corporate financial statements signed by the prospective guarantor, and, where appropriate and necessary to support the guarantee, by the guarantor's spouse, and disclosing community and individual assets and indebtedness when applicable.

K. Equity Requirements

All applications for EDA financial assistance shall be supported by adequate existing and/or proposed equity so as to enhance the success of the proposed project and lessen EDA's potential exposure. The following minimum equity will be required:

1. For guaranteed working capital loans, the prospective borrower must have existing, or must provide, net working capital equal to not less than fifteen percent (15%) of its total working capital needs.

2. For guaranteed fixed asset loans, the prospective borrower must provide an equity investment in the loan project of at least fifteen percent (15%) of the aggregate loan project cost.

3. The prospective borrower must provide twenty-five percent (25%) of the aggregate loan project cost for:

a. New businesses with no operating history;

b. Loans without full personal and/or corporate guarantee of stockholders owning ten percent (10%) or more of the borrower;

c. Energy-related businesses;

d. Ventures which EDA determines to have above-average risk.

L. Feasibility Report

An independent technical, financial, and economic feasibility report by a firm acceptable to EDA will be required for all applications for new ventures involving a total project cost of $1 million or more and for projects involving tourism or recreational facilities. Such a report must be related to the pro forma operating statements associated with the application. Independent feasibility studies may also be required for other applications, as deemed necessary by EDA.

M. Tax-Exempt Obligations

The EDA project cannot share collateral with or include elements financed with tax-exempt obligations, such as industrial revenue bonds.

N. Other Requirements

1. Hazard insurance with a standard mortgage clause naming the lender as beneficiary will be required in an amount at least equal to the lesser of the depreciated replacement value of the property being insured or the amount of the loan.

2. Keyman life insurance, which may be decreasing term insurance, normally will be required for principals and key employees of the borrower, pledged or assigned to the lender.

Applicant Servicing Responsibilities

A. Upon approval of a guaranteed loan, the applicant's responsibilities shall include, but are not limited to, executing such care and diligence in the disbursement, servicing, collection, and liquidation of the guaranteed loan as would be exercised by a reasonable and prudent commercial lender in dealing with a loan of its funds without the EDA guarantee.

B. In the event of subsequent default on the loan, unless EDA elects otherwise, the applicant will have full responsibility for servicing and liquidating the loan prior to making demand on EDA for payment under the EDA guarantee. EDA shall be obligated to pay that portion of the loan guaranteed after the deduction of all proceeds of the liquidation less reasonable expenses directly attributable to the liquidation. Failure to perform these responsibilities satisfactorily may preclude EDA from honoring its guarantee. EDA staff will examine the applicant's records before honoring any guarantee.

Application Requirements

A. The application shall include the following:

1. A signed statement by the borrower assuring that it will not use the EDA financial assistance to relocate jobs from one area to another or to close facilities involved in the EDA-guaranteed project;

2. Approval of the application by the appropriate agency or instrumentality of the state or political subdivision in which the project is located, together with a signed statement by that local authority that the project is consistent with an Overall Economic Development Program approved by EDA;

3. Full disclosure of the amount and nature of all fees charged to the borrower by the lender, attorneys, agents or other persons to expedite the application. Appropriate fees and charges may include services such as accounting, legal, engineering and appraisals. Packaging and lobbying expenses are not allowable project costs and no proceeds of the loan may be used directly or indirectly for attorneys' or consultants' fees in connection with securing EDA's guarantee. EDA may permit reasonable fees and charges as allowable project costs. EDA will not permit any fees or charges that are contingent upon project approval;

4. An agreement that neither the borrower nor the applicant will employ or retain for professional services any person who on behalf of EDA occupied a position or engaged in activities which EDA determines involves discretion with respect to the granting of the assistance under the Act. This agreement shall remain in effect for two years after EDA grants assistance to the applicant;

5. An application for character/integrity investigation (Name Check Form CD-346, OMB No. 0605-0001) for each officer, the chief financial manager, and for each individual owning or controlling at least twenty percent (20%) of the borrower;

6. Documentation satisfactory to EDA to substantiate that the guaranteed loan will not create unfair competition within the meaning of section 702 of the Act. Section 702 unfair competition results if

the project would increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities to employ the efficient capacity of existing competitive commercial or industrial enterprises. Applicants are encouraged to submit borrower's data for this requirement prior to or within thirty (30) days of receiving authorization to apply for EDA financial assistance to expedite processing of the loan guarantee. Applicants and borrowers should understand that expenses incurred prior to formal offering of a loan guarantee are made solely at the applicant's or borrower's expense.

7. A description of state or local government assistance to the project; and

8. A signed statement by the borrower assuring that: (a) Real estate provided as collateral is not under notice of environmental violations from local, state or Federal agencies, (b) the real property is not the subject of an environmental impact study, and (c) there are no known violations of Federal, state or local environmental laws or requirements, including, but not limited to, 42 U.S.C. 9601–9657.

B. Loan guarantees are also subject but not limited to the following statutes:

1. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251–1376;

2. Davis-Bacon Act, as amended, 40 U.S.C. 276a–276a–5, 13 CFR 309.6;

3. The Architectural Barriers Act of 1954, as amended, 42 U.S.C. 4151–4157; 13 CFR 309.14;

4. The National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321–4370; CFR 309.18;

5. The National Historic Preservation Act of 1966, 16 U.S.C. 470–470W–6;

6. The Wild and Scenic River Act, as amended, 16 U.S.C. 1271–1287;

7. The Clean Air Act, as amended, 42 U.S.C. 7401–7626;

8. The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001–4128; and

9. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9601–9675.

10. Resource Conservation and Recovery Act, 42 U.S.C. 6901–6991.

Application Submission

Proposals should be submitted to the appropriate EDA regional office at the earliest possible date. Proposal received after June 29, 1991, may not be considered during FY 1991. The formal application will include an ED-201, as approved by the Office of Management and Budget Control No. 0610–0024. Completed applications for authorized projects should be submitted no later than July 31, 1991.

Incomplete applications or applications that do not conform to program requirements will be rejected by EDA. The EDA Headquarters will review all loans recommended for approval by a regional office. Headquarters review will encompass credit as well as program objectives, priorities and interest. All guarantees require approval by the Assistant Secretary of Commerce for Economic Development.

For Further Information Contact

Only two EDA regional offices have been designated to administer the Loan Guaranty Program and accept Loan Guaranty applications. For further information on that program, contact the Chief of the Business Loans Division at either the Austin or Philadelphia Regional Office (see section XI of this Notice).

IV. Program: Technical Assistance

(Catalog of Federal Domestic Assistance: 11.303 Economic Development—Technical Assistance)

Summary

Funds under the Technical Assistance Program are awarded to eligible applicants to provide assistance intended to assure the successful initiation and implementation of area, state, regional, and national development efforts designed to alleviate economic distress. This program is authorized under the authority of section 301(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(a).

Eligibility

Eligible applicants for technical assistance grants or cooperative agreements include public or private nonprofit national, state, area, district, or local organizations; public and private colleges and universities; Indian tribes, local governments, and state agencies. Other eligible applicants are private individuals, partnerships, firms, and corporations.

Program Objective

The Technical Assistance Program is designed to provide technical assistance useful in alleviating or preventing conditions of excessive unemployment or underemployment and problems of economically distressed populations in rural and urban areas.

Funding Availability

Funds in the amount of $1.889 million are available for the Technical Assistance Program. It is expected that these funds will be made available for projects serving specific local or substate areas and also for projects whose impacts will cross EDA regional office boundaries.

Funding Instrument

EDA will provide grants and cooperative agreements not to exceed 75 percent of proposed project costs. Applicants are expected to provide the remaining share, preferably in cash. In cases when EDA issues a Solicitation of Applications, an applicant's share may not be required.

Project Duration

Assistance will be for the period of time required to complete the scope of the work. Generally, this will not exceed twelve months.

Selection Criteria

Preference will be given to those technical assistance proposals which:

1. Produce strong evidence that the proposed project will lead to the near-term (between one and five years) generation and/or retention of private sector jobs.

2. Do not depend upon further EDA or other Federal funding assistance to achieve results.

3. Strengthen the capability of state and local organizations and institutions, including nonprofit development groups, to undertake and promote effective economic development programs targeted to people and areas in distress.

4. Stimulate significant private and nonfederal public investment for economic development purposes, including funds from commercial lenders, public and private pension funds and other nontraditional sources.

5. Benefit severely distressed areas, particularly rural counties and communities.

6. Diversify distressed rural economies by means of enterprise zones and other strategies.

7. Demonstrate innovative approaches to stimulating economic development in depressed areas. EDA is particularly interested in receiving innovative proposals in the following areas:

a. Export development used as an economic development strategy;

b. Assistance to business in uses of technology; and

c. Minority business developed in distressed areas.

8. Are consistent with the EDA approved Overall Economic

Development Program (OEDP) for the area in which the projects are located and have been recommended by the OEDP Committee (if appropriate to the nature of the project).

9. Present an appropriate and clear project design.

10. Are proposed by organizations or individuals with the capacity, qualifications and staff necessary to undertake the intended activities.

11. Present a reasonable, itemized budget for the proposed activities.

12. Involve a significant (preferably cash) contribution in excess of minimum required from applicant or other nonfederal sources.

Pre-Application Procedures

Parties seeking support for local technical assistance projects—those that will primarily benefit a substate or intra-regional area—must contact the economic development representative (EDR) for the area to obtain a proposal package. This package may contain additional information on procedures and selection criteria. The EDA regional office will provide the name, address and telephone number of the EDR for the applicant's area (see section X1 of this Notice). EDA will evaluate all proposals as they are received and invite applications for those which best satisfy the selection criteria.

Potential applicants should submit one original and two (2) copies of a brief and concise proposal which should not exceed 20 pages. Vita and capability information may be appended.

Proposal Submission Procedures

Potential applicants should submit proposals that include:

1. A cover page giving a short descriptive project title, the name and address of the performing organization, the name and telephone number of the project director, the project duration, the amount of EDA funds requested, and the program (Technical Assistance) that would provide the funds;

2. A brief scope-and-objectives section indicating why the project is needed, giving its objectives, and providing a capsule description of the project;

3. A more detailed description of the project and its methodology;

4. A work plan showing different phases of the project and their timing;

5. A detailed budget showing cost breakdowns, with EDA-funded and non-EDA-funded costs presented in separate columns and with the EDA-funded costs adding to the total shown on the cover page;

6. Resumes for the project director and principal staff; and

7. A corporate or institutional capability statement, where appropriate.

Parties seeking support for local technical assistance should submit proposals to the EDR who supplied the proposal package.

Parties seeking support for projects whose impacts will cross EDA regional boundaries should submit proposals to the Director, Technical Assistance and Research Division, Economic Development Administration, room 7319, U.S. Department of Commerce, Washington, DC 20230. Individuals or organizations located outside the Washington, DC, metropolitan area should submit a copy of the letter transmitting their proposal to Washington to the EDR for the area in which they are located.

Formal Application Procedures

The appropriate EDA regional office will invite entities whose proposals for technical assistance projects are selected for further consideration to complete formal application packages. The formal application for applicants will include a Standard Form-424 (OMB Approval No. 0348-0043).

Eligibility for Specific Solicitations

EDA may, during the course of the year, identify specific economic development technical assistance activities it wishes to have conducted. Organizations and individuals interested in being invited to respond to Solicitations of Applications (SOAs) to conduct such work should submit information on their capabilities and experience to the Director, Technical Assistance and Research Division, Economic Development Administration, room 7319, U.S. Department of Commerce, Washington, DC 20230.

Further Information

For further information about local technical assistance projects—those that will benefit substate or intra-regional areas—contact the appropriate EDR (whose name, address, and telephone number may be obtained from the EDA regional office) or the appropriate EDA regional office (see section XI of this Notice). For further information about submitting projects whose impact will cross EDA regional office boundaries, contact the National Technical Assistance Coordinator, telephone (202) 377-2127.

V. Program: University Center Projects

(Catalog of Federal Domestic Assistance: 11.303 Economic Development—Technical Assistance).

Summary

Funds for basic university center projects are used as seed money to help selected colleges and universities mobilize their own and other resources to assist in the economic development of distressed areas. The efforts of university centers should focus on helping public bodies, nonprofit organizations and businesses plan and implement activities designed to generate jobs and income. In addition, funds may be used for projects which promote the goals of the University Center Program in other ways. Support for these types of projects is authorized under section 301(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(a).

Eligibility

Eligible applicants for university center grants and cooperative agreements are public and private colleges and universities, associations representing such institutions, and other organizations with expertise in University Center Program issues.

Program Objective

The objective of these projects is to enable colleges and universities to contribute to overall economic development by using their resources to provide technical assistance that will alleviate or prevent conditions of excessive unemployment or underemployment and problems of distressed populations in individual states or substate areas.

Funding Availability

Funds in the amount of $4.724 million are available for university center projects. Continuation grants for existing centers will use all of this amount.

Funding Instrument

University center project funds will be awarded through grants and cooperative agreements to cover a portion of project costs. The amount covered will not exceed 75 percent of proposed project costs.

Project Duration

Grants and cooperative agreements will be for the period of time required to complete the scope of work. Generally, this will not exceed twelve months.

Selection Criteria

In judging proposals from existing and potential university centers for basic grants, EDA will consider whether the proposed center programs

1. Serve areas of significant economic distress;

2. Address the development needs of the service area;

3. Complement the activities of other organizations in the proposed service area that are engaged in economic and business development. Where applicable, the proposal must identify how it differs from the services provided by a local Small Business Development Center (SBDC), Trade Adjustment Assistance Center (TAAC) or a Minority Business Development Center (MBDC);

4. Possess the commitment, as evidenced by financial support and other resources, of the university leadership at the highest levels to the mission and purpose of the university center;

5. Possess the capacity to provide the proposed technical and other types of assistance to jurisdictions and organizations within the service area; and

6. Complement and support the local, regional or state economic development strategies in the service area. EDA will also consider the following factors in evaluating proposals for basic grants from potential centers:

a. The extent to which the center proposes to serve the economic development needs of economically distressed jurisdictions and community-based organizations.

b. The presence of other EDA-funded center(s) in the state.

c. The presence of an SBDC, MBDC or a TAAC in the service area.

Proposals will also be judged on the quality of the proposed work program and the qualifications of the applicant to carry out that work program.

Proposals for other projects that meet the goals of the University Center Program will be judged on similar factors. These include the potential impact of the project on distressed areas, the quality of the proposed work program, and the qualifications of the applicant to carry it out. Depending on the availability of funds, EDA may hold a competition for short-term (one to three year) incentive grants. This competition will be open to all currently and previously funded centers, except those whose funding was discontinued because of poor performance.

Funding Policy

Approximately 30 University Centers were scheduled to receive funding in FY 1991 below the amount they received in FY 1990. Public Law 101-515, the Department of Commerce FY 1991 Appropriations Act, requires maintaining individual University Center grants for FY 1991 at FY 1990 funding levels.

Colleges and universities participating in the program are required to provide a nonfederal match. For FY 1991, EDA will maintain the nonfederal match for each University Center at the level required during FY 1990. The appropriate regional office will inform each University Center of the nonfederal match required for its FY 1991 grant. Under this policy, EDA will have no funds to establish new University Centers during FY 1991.

Proposal Submission Procedures

Basic Grants for Existing University Centers. Existing centers that have been selected to receive consideration for continued basic funding will be notified of all application procedures by the EDA regional offices. Any existing centers not selected to receive consideration for continued support will be so notified.

Further Information

For further information, contact the appropriate EDA regional office (see section XI of this Notice), the appropriate EDR (whose name, address, and telephone number may be obtained from the EDA Regional Office), or the University Center Coordinator, Technical Assistance and Research Division, Economic Development Administration, room 7319, U.S. Department of Commerce, Washington, DC 20230; telephone, 202-377-2127.

VI. Program: Planning Assistance for Economic Development Districts, Indian Tribes, and Redevelopment Areas

(Catalog of Federal Domestic Assistance 11.302 Economic Development—Support for Planning Organizations)

Summary

Funds under the District, Indian and Area Planning Program are awarded to defray administrative expenses in support of the economic development planning efforts of Economic Development Districts (Districts), Redevelopment Areas (Areas) and Indian Tribes. This program is authorized under section 301(b) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(b).

Eligibility

Eligible applicants are Economic Development Districts, Redevelopment Areas, organizations representing Redevelopment Areas (or parts of such Areas), Indian Tribes, organizations representing multiple Indian Tribes, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Program Objective

The primary objective of planning assistance for administrative expenses under section 301(b) is to support the formulation and implementation of economic development programs designed to create or retain full-time permanent jobs and income, particularly for the unemployed and underemployed in the most distressed areas served by the applicant. Planning activities supported with this aid must be part of a process involving significant leadership by public officials and private citizens.

Funding Availability

Funds in the amount of $18.378 million are available in two categories: Districts/Areas (Category A)—$15.543 million; and Indian Tribes (Category B)—$2.835 million.

Funding Instrument

Grant assistance can be provided for up to 75 percent of project costs for Category A grants with the applicant required to provide the remaining share. Category B grant assistance may be provided for up to 100 percent of project costs.

Project Duration

Assistance will normally be for a period of twelve months.

Selection Criteria

EDA will consider the following factors, among other things, in evaluating proposals:

1. The responsiveness of the proposed work program to the program regulations contained in 13 CFR 307.12;

2. The economic distress of the area served by the applicant;

3. Past performance for any currently funded grantee (including information in scheduled progress reports);

4. The local leaders' involvement in applicants' economic development activities; and

5. The amount of local participation provided as matching dollars to the Federal funds.

Proposal Submission Procedures

Application procedures may be obtained from EDA's regional offices for the following:

a. Currently funded planning grantees and proposals from applicants not currently funded under Category A or B; and

b. Special economic development activities that benefit one or more [illegible] grantees and cannot be financed with other resources.

Eligible applicants under both Categories A and B should submit proposals which include:

1. A letter signed by the chief elected official (Chairman of the Board, Tribal Chairman) or another authorized official of the applicant stating the organization's desire to receive funds to carry out the types of planning and administrative activities eligible under the 301(b) program.

2. Significant, verifiable information on the level of economic distress in the area, including unemployment and income data. Any major changes in distress levels during the past year should be described.

3. A work program outlining the specific development activities that will be carried out under the grant and explaining how they relate to the problems identified in the area OEDP, annual report, or other documents.

New applicants should submit proposals to the appropriate EDA regional office.

Formal Application Procedures

EDA regional offices will contact currently funded grantees to inform them of the procedures for submitting applications for continuation funding.

Following review of the proposals submitted, EDA will invite those selected for funding consideration to submit formal applications. Funding levels will be determined by the economic distress of the area served by the applicants, and availability of program funds. The formal application will include a SF-424, as approved by the Office of Management and Budget Control No. 0348-0043.

Further Information

For further information contact the appropriate EDA regional office (see section XI of this Notice) or the Director Planning Division, Economic Development Administration, room 7023, U.S. Department of Commerce, Washington, DC 20230; telephone, 202-377-3027.

VII. Program: Planning Assistance for States and Urban Areas

(Catalog of Federal Domestic Assistance: 11.305 Economic Development—State and Urban Area Economic Development Planning)

Summary

Funds under the State and Urban Planning Program are awarded to defray administrative expenses in support of economic development planning efforts of urban areas, cities, counties and states. This program is authorized under section 302(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151a.

Eligibility

Eligible applicants under this program are states, cities urban counties, and combinations of these entities.

Program Objective

The primary objective of planning assistance under section 302(a) is to start or strengthen the economic development planning and policy-making capabilities of eligible areas to ensure a more effective use of available resources in addressing economic problems, particularly those resulting in high unemployment and low incomes. Planning activities conducted under this assistance must be part of a process involving significant local leadership from public officials and private citizens.

Funding Availability

Funds in the amount of $4.724 million are available for providing grant assistance under this program.

Funding Instrument

Grant assistance may be provided for up to 75 percent of project costs. Applicants will be required to provide the remaining share, preferably in cash. Individual grant amounts under this program have not exceeded $200,000 in the past three years. EDA will consider proposals for smaller grants to support appropriate activities.

Project Duration

Assistance will be for the period of time required to complete the work. This period will normally not exceed 15 months. If Congress makes funds available for this program in subsequent years, renewals may be considered for appropriate projects for up to two additional awards.

Selection Criteria

The content of the proposal and the economic distress of the area will be the principal factors considered in evaluating proposals from eligible entities. In assessing the distressed factor, priority consideration will be given to proposals from states and urban areas experiencing substantial economic distress. In the case of urban areas, high priority will be given to those with unemployment rates two or more percentage points higher than the U.S. average and per capita income levels 80 percent or less of the U.S. average. For states, high priority will be given to those that meet both of the above criteria, as well as those that meet one of the above criteria and have distress equal to or greater than the national level for the other criterion. The most recent per capita income and 12-month unemployment data available will be used to measure economic distress. Proposals from states or urban areas which do not exhibit significant distress on the basis of unemployment or income data will not be considered unless other acceptable evidence of substantial distress is provided by the applicant (e.g., large numbers of agricultural and business failures, large numbers of low-income families, drastically reduced tax bases, etc.).

Proposals from states and urban areas which are both below the U.S. national unemployment rate and above the national per capita income are unlikely to be funded.

Proposals will be judged on the basis of:

1. Appropriateness of the work program to the section 302(a) program objectives;

2. The economic distress of the area served by the applicant;

3. Extent to which the proposed planning activities are expected to impact upon the service area's economic development needs, and the extent to which the proposal addresses the problems of the unemployed and under-employed of the area, including the farm families, minorities, workers displaced by plant closings, etc.;

4. Past performance of currently or formerly funded grantees, if applicable; and

5. The amount of local participation provided as matching dollars to the Federal funds.

Proposal Submission Procedures

Potential applicants should submit proposals that include:

1. A letter, signed by the chief executive of the applicant organization, indicating a desire to receive funds to carry out the planning activities outlined in the proposal; where the funded planning program will be placed in the organization, including the name and title of the person to be responsible for program implementation; the amount and for what period funding is being requested; and the anticipated funding arrangement if the planning activity is to continue beyond the period of EDA support.

2. Significant, verifiable information on the level of economic distress in the area, including unemployment and income data. Any major changes in distress levels during the past year should be described.

3. Information indicating the applicant's commitment to the proposed work program as demonstrated by amount of local funding and the degree of interest displayed by the chief executive.

4. A time chart showing all major work program elements, projected element start and completion dates, and the related financial expenditures programmed for each work element.

5. A work program of no more than 10 pages which outlines the specific planning activities that will be carried out under the grant and specifies which activities will be handled by in-house staff, consultants, etc. The work program should also explain the need for the proposed activities, expected impacts and their timing, target population(s), and involvement of the private sector in the proposed activities.

Current grantees seeking additional funding under this announcement should comply with the instructions of this notice and include a 3-5 page progress report for the current grant.

One copy of the proposal should be sent to the appropriate economic development representative, and an original and one copy to the appropriate EDA regional office. The EDA regional office will provide the name, address and telephone number of the economic development representative for the applicant's area (see section XI of this Notice).

Formal Application Procedures

EDA will evaluate proposals using the selection criteria cited above. Once the merits of the proposal are established, EDA will initiate discussions with the prospective applicant to clarify and improve elements of the proposal, if necessary, and will invite those whose proposals are selected for funding consideration to submit formal applications, which will include an SF-424 (OMB Approval No. 0348-0043) and other application materials. Proposals and Applications will be processed as they are received. Applications received after FY 1991 funds are exhausted will be retained by EDA for consideration for funding the following fiscal year, if funds are made available by Congress.

Further Information

For further information contact the appropriate economic development representative, EDA regional office (see section XI of this Notice), or the Director, Planning Division, Economic Development Administration, room 7023, U.S. Department of Commerce, Washington, DC 20230; telephone 202-377-3027.

VIII. Program: Research and Evaluation Projects

(Catalog of Federal Domestic Assistance: 11.312 Economic Development—Research and Evaluation Program)

Summary

Funds under the Research and Evaluation Program are used to support studies that will increase knowledge about the causes of economic distress and approaches to alleviating such problems. This program is authorized under section 301(c) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(c).

Eligible Applicants

Eligible applicants for Research and Evaluation grants or cooperative grants include private individuals, partnerships, corporations, associations, colleges and universities, and other suitable organizations.

Program Objective

The objectives of section 301(c) grants and cooperative agreements are the following:

1. To determine the causes of unemployment, underemployment, underdevelopment, and chronic depression in various areas and regions of the Nation.

2. To assist in the formulation and implementation of national, state, and local programs that will raise employment and income levels and otherwise produce solutions to problems resulting from the above conditions.

3. To evaluate the effectiveness of programs, projects, and techniques used to (a) alleviate economic distress, and (b) promote economic development.

Funding Availability

Funds in the amount of $1.193 million are available for this program. Funds will be used for projects selected through the application procedures described below and for EDA-initiated solicitations.

Funding Instrument

EDA will provide grants and cooperative agreement awards covering up to 100 percent of project costs.

Project Duration

Assistance under the program will normally be for a period not exceeding 15 months.

Selection Criteria

EDA will use the following criteria to evaluate research and evaluation proposals:

1. Suitability of the subject.
2. Potential usefulness of the research to state and local economic development specialists.
3. General quality and clarity of the proposal.
4. Soundness and completeness of the research methodology.
5. Qualifications of principal investigator(s) and, where appropriate, performing organizations(s).
6. Previous performance of principal investigator and/or performing organizations on EDA-funded projects.
7. Cost and value of product in relation to cost.

EDA is interested in receiving proposals dealing with:

1. Employment and unemployment;
2. Income and poverty;
3. Rural and other nonmetropolitan economic development;
4. Regional and local growth;
5. Industrial location;
6. Job creation methods;
7. State and local economic development efforts;
8. Private sector economic development efforts;
9. Development effects of public works and other infrastructure;
10. Capital markets and development finance, particularly nonfederal sources of economic development financing;
11. Industrial competitiveness;
12. Minority business and minority jobs; and
13. Productivity and technology.

Requested grants and awards should be for specific, well-defined, onetime research projects. EDA research grants are not intended for support of continuing programs (permanent research programs, publication and information programs, periodic forecasts, etc.) or for non-research activities. Some research proposals deal with or involve samples drawn from only one part of the United States. EDA normally prefers research of broad geographic scope, that at least covers a large multi-state region, as opposed to research covering (in declining order of preference) a small region, a state, a multicounty area, or a single city or county. EDA strongly prefers cause and effect research and descriptive analyses and funding for such will receive much higher priority and likelihood of approval as compared to theoretical studies, modeling (other than for hypothesis testing), and the like. Economic development planning and technical assistance for specific places will not be funded under the Research and Evaluation Program; the Planning and Technical Assistance Programs are for those purposes.

Proposal Submission Procedures

Potential applicants should submit one original and two (2) copies of a brief and concise proposal which should not exceed 20 pages, not counting vita and capability information. Proposals should avoid long background discussions and literature surveys, but should be reasonably detailed, particularly in explaining methodology. Each proposal should include:

1. A cover page giving a short descriptive project title, the name and address of the performing organization, the names and telephone numbers of the project director and principal investigators, the project duration, the amount of EDA funds requested, and the program (Research and Evaluation) that would provide the funds;
2. A brief scope-and-objectives section indicating why the project is needed, giving its objectives, and providing a capsule description of the project;
3. A more detailed description of the project and its methodology;
4. A work plan showing different phases of the project and their timing;
5. A detailed budget showing cost breakdowns, with EDA-funded and non-EDA-funded costs presented in separate columns and with the EDA-funded costs adding to the total shown on the cover page;
6. Resumes for the project director and principal investigators; and
7. A corporate or institutional capability statement, where appropriate.

The cover letter accompanying the proposal should inform EDA of whether any other organization(s) or Federal agency(ies) is or will be considering the proposal. Any non-EDA contributions to the project, whether by the performing organization or third parties, should be identified. Proposals should be submitted to the Director, Technical Assistance and Research Division, Economic Development Administration, room 7319, U.S. Department of Commerce, Washington, DC 20230.

Formal Application Procedures

EDA will evaluate the proposals as they are received using the selection criteria described above. Organizations and individuals whose proposals are selected for further consideration will be invited to submit additional materials required for formal application. The formal application will include an ED-424 (OMB Approval No. 038-0043).

Eligibility for Specific Solicitations

In addition to using research and evaluation funds to support proposals submitted under the procedures described above, EDA may during the fiscal year identify other studies, including program evaluations, for funding consideration.

Organizations and individuals interested in being invited to respond to Solicitations of Applications (SOAs) to conduct such studies should submit information on their capabilities and experience to the address listed above. This information will be used to determine eligibility to compete for projects under specific SOAs.

Further Information

For further information, contact the Director, Technical Assistance and Research Division, at the above address; telephone, 202-377-4085.

IX. Program: Economic Adjustment Assistance (Title IX)

(Catalog of Federal Domestic Assistance No: 11.307 Special Economic Development and Adjustment Assistance Program—Long-Term Economic Deterioration (LTED) and Sudden and Severe Economic Dislocation (SSED))

Summary

Funds under the Economic Adjustment Program are used to assist areas experiencing long-term economic deterioration (LTED) and areas threatened or impacted by sudden and severe economic dislocation (SSED). This program is authorized under title IX of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3241-3245.

Program Objective

The LTED Program assists eligible applicants to develop and/or implement strategies designed to halt and reverse the long-term decline of their economies. The most common type of activity funded under the LTED Program is Revolving Loan Funds (RLFs), although other types of eligible title IX activity may be funded.

The SSED Program assist eligible applicants to respond to actual or threatened major job losses (dislocations) and other severe economic adjustment problems. It is designed to help communities prevent a sudden, major job loss; to reestablish employment opportunities and facilitate community adjustment as quickly as possible after one occurs; or to meet special needs resulting from severe changes in economic conditions. SSED assistance is intended to respond to permanent rather than temporary job losses. Assistance may be in the form of a grant to develop a strategy to respond to the dislocation (Strategy Grant) or a grant to implement an EDA approved strategy (Implementation Grant).

In light of the current high level of economic distress in rural areas, EDA is particularly interested in title IX projects designed to mitigate serious rural economic adjustment problems. EDA is also interested in proposals to help severely distressed areas with large minority populations.

Funding Availability

Funds in the amount of $24.317 million are available for the Economic Adjustment Program in FY 1991. Of the amount, $12.282 million will be available for the SSED Program and $12.035 million will be available for the LTED Program.

Funding Instrument

Title IX fund are awarded through grants not to exceed 75 percent of the project cost. Acceptable sources of the local share include, but are not limited to, local government general revenue funds; Community Development Block Grant (CDGB) entitlement funds or balance of state awards; and other public and private donations. The full amount of the local share need not be in hand at the time of application; however, the applicant must have a firm commitment from identified source(s), and the funds must be readily available. The local share must not be encumbered in any way that would preclude its use as required by the grant agreement. The local share for the RLF Program must be in cash, and while the local share for the SSED Program may be cash and/or in-kind, priority consideration will be given to proposals with a cash local share.

Eligible Applicants

Eligible applicants within areas meeting the EDA eligibility criteria described below include a redevelopment area or economic development district established under title IV of this Act, 42 U.S.C. 3161; an Indian tribe; a state; a city or other political subdivision of a state, or a consortium of such political subdivisions; a Community Development Corporation defined in the Community Economic Development Act, 42 U.S.C. 9801; a nonprofit organization determined by EDA to be the representative of a redevelopment area; the Federated States of Micronesia; and the Republic of the Marshall Islands, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Eligible Areas

A. LTED

In order to receive priority consideration for funding under the LTED/RLF Program, an area must be experiencing at least one of three economic problems: Very high unemployment; low per capita income; or chronic distress (i.e., failure to keep pace with national economic growth trends over the last five years). Priority will be given to those areas with two or more of these indicators. Eligibility is determined statistically. Further information is available from EDA's regional offices (see section XI of this Notice).

B. SSED

In order to receive priority consideration for funding under the SSED Program, an area must show actual or threatened permanent job losses that exceed the following threshold criteria, unless otherwise determined by the Assistant Secretary:

1. For areas not in Metropolitan Statistical Areas:

a. If the unemployment rate of the Labor Market Area exceeds the national average, the dislocation must amount to the lesser of two (2.0) percent of the employed population, or 500 direct jobs.

b. If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation must amount to the lesser of four (4.0) percent of the employed population, or 1,000 direct jobs.

2. For areas within Metropolitan Statistical Areas:

a. If the unemployment rate of the Metropolitan Statistical Area exceeds the national average, the dislocation must amount to the lesser of one-half (0.5) percent of the employed population, or 4,000 direct jobs.

b. If the unemployment rate of the Metropolitan Statistical Area is equal to or less than the national average, the dislocation must amount to the lesser of one (1.0) percent of the employed population, or 8,000 direct jobs.

In addition, fifty (50) percent of the job loss threshold must result from the action of a single employer, or eighty (80) percent of the job loss threshold must occur in a single standard industry classification (i.e., two digit SIC code).

In the case of a Presidentially declared natural disaster, the area eligibility criteria are waived. In other similarly exceptional circumstances, the criteria may be partially waived at the discretion of the Assistant Secretary.

Actual dislocations must have occurred within one year and threatened dislocations must be anticipated to occur within two years of the date EDA is contacted.

Selection Criteria

Proposals will be evaluated based on conformance with statutory and regulatory requirements, the economic adjustment needs of the area, the merits of the proposed project in addressing those needs and the potential applicant's ability to manage the grant effectively.

A. LTED/RLF Selection Criteria

Key factors in EDA's selection of proposed LTED/RLF projects include:

1. *Economic and Financial Needs of the Project Area.* a. Areas with the highest levels of economic distress (high unemployment, low per capita income, vacant plants, deteriorating infrastructure, and declining farm economy, etc.) will receive priority consideration.

b. Need for RLF financing will be evaluated based on the local capital market and the applicant's analysis of it, and how clearly this analysis defines the financial problems to be addressed by the RLF project.

c. Applicant's need for grant funds to carry out the project will be based on an assessment of its financial resources.

2. *Objectives and Benefits of Proposed Projects.* Priority will be given to projects which can:

a. Stimulate private sector employment. The number and types of jobs to be created/retained will be key factors in project selection along with the job/cost ratio established for the RLF portfolio as a whole.

b. Target assistance to meet program objectives and to support specific economic adjustment activities planned or underway in the area, particularly those identified in the OEDP, title XI strategy, or other plans developed to deal with specific economic adjustment problems affecting the area. This may include target areas, industries, types of employers or other criteria that maximize the impact of assistance on specific needs within the area.

c. Leverage higher ratios of private investment than the required minimum ratio of two private sector investment dollars to one RLF dollar. (Note: The local share or other funds provided by the RLF to finance loans cannot be counted as leveraged dollars.)

d. Direct new job opportunities to the long-term unemployed and underemployed.

e. Provide technical and management assistance for RLF borrowers, in addition to loan funds.

f. Use creative financing techniques to overcome specific gaps in the local capital market.

g. Make loans on a timely basis. The implementation schedule for RLF projects will normally require that RLF loans in the initial round be closed (and all EDA funds disbursed) within three years of grant approval with no less than 50 percent disbursed within eighteen months and 80 percent within two years.

h. Include a larger local share than the required 25 percent or secure commitments for future funding from other private or nonfederal public sources.

i. Coordinate activities with other economic development organizations, loan programs, employment training programs and private lenders in the area.

j. Are established to fill capital gaps as opposed to providing subsidized credit (i.e., below market interest rates).

3. *Effective Management of the RLF.* EDA will also evaluate proposed projects to determine that the RLF will be properly managed. Key factors include:

a. A strong and effective Loan Administration Board with broad community representation, including appropriate public and private sector representation.

b. Staff capacity in program and policy development, finance, law, marketing, credit analysis, loan packaging, processing and servicing.

c. Efficient procedures for loan selection, approval, and servicing which emphasize the economic development potential of loans as well as sound management and financing practices.

d. A strategy for relending loan repayments which will ensure that the RLF revolves continously and thus fulfills its purpose of creating jobs and stimulating economic activity on an ongoing basis.

e. Adequate resources to cover administrative costs of the RLF.

f. The potential applicant's experience and capacity for administering economic and business loan programs. If the potential applicant has designated another organization to administer the project, EDA will evaluate the experience and capacity of that organization, rather than the potential applicant.

Nongovernmental (excluding Economic Development Districts) organizations seeking funds must be sponsored by the local or state government having jurisdiction over the project area, and the sponsor must be willing to assume responsibility for operating the RLF should the nongovernmental entity no longer be able to administer the project.

B. SSED Evaluation Criteria

Key factors in EDA's selection of proposed SSED projects include:

1. The severity of the dislocation as measured by, but not limited to, the following factors:

a. The degree to which the number of dislocated workers exceeds the eligibility threshold.

b. The proportion of the total job loss represented by a single employer.

c. The proportion of employment in a single standard industry classification represented by the firm(s) closing.

d. The applicant's need for grant funds to carry out the project based on an assessment of its financial resources.

2. The objectives and benefits of proposed activities as measured by the extent to which:

a. *For Implementation Grants.* (1) Job creation or retention and restoration of the community's economic base in the near term are emphasized versus more long-term, general economic development. Projects likely to encounter delays, particularly in initiating or completing construction, will normally not be given favorable consideration.

(2) The jobs to be created and/or retained are permanent, will directly benefit the dislocated workers and/or will directly facilitate community adjustment, and are new employment opportunities and not transferred from one area of the United States to another.

(3) The response to the problem is timely.

(4) EDA assistance will be complemented by, or will complement, appropriate state and local efforts: for example, training and job placement services, other Federal investments, and private sector support.

(5) The adjustment strategy and implementation activities proposed demonstrate an appropriately creative approach to addressing the dislocation.

(6) The cost per job created or retained is minimized.

(7) In the case of a Revolving Loan Fund, the recycled loan proceeds generate economic development benefits.

(8) The local share exceeds the required 25 percent.

b. *For Strategy Grants.* (1) The applicant has demonstrated the capacity to manage the planning process and subsequent implementation activities.

(2) The proposed scope of work is responsive to the problem.

(3) The focus of the planning effort is on the generation of practical and implementable solutions.

(4) The local share exceeds the required 25 percent.

Project Implementation

As indicated in the first section of this Notice, EDA expects all grant funded projects to be initiated and completed in a timely manner in accordance with the schedule agreed upon in the grant documentation. The recipient will be responsible for promptly notifying EDA of any events that prevent adherence to the approved schedule. The grantee must also provide an explanation of why the events were beyond its ability to predict or control and obtain EDA approval of changes in the schedule prior to proceeding with project implementation.

EDA expects grantees to anticipate predictable delays (such as those caused by land acquisition problems, local financing requirements, acquisition of state permits and approvals, normal weather conditions in area, and public objections to the project), and take them into account in preparing the project schedule. Grantees who fail to comply with project schedules may be subject to grant suspension and/or termination.

EDA will not provide additional funds to finance overruns that occur during project implementation.

Proposal Submission Procedures

Interested parties should contact the Economic Development Representative for the area or the appropriate EDA Regional Office (see section XI of this Notice) for a proposal package. Project proposals, submitted by eligible entities, will be evaluated by EDA staff on the basis of:

1. Conformance with the evaluation criteria mentioned above and statutory, regulatory, and policy requirements.

2. The availability of funds.

Formal Application Procedures

Following a review of project proposals, EDA will invite those projects selected for funding consideration to submit formal applications. The formal application will include an ED–540, as approved by the Office of Management and Budget Control No. 0610–0058.

Further Information

For further information about this program, contact the appropriate EDA regional office or the Director, Economic Adjustment Division, Economic Development Administration, room 7327, U.S. Department of Commerce, Washington, DC 20230; telephone, 202–377–2859.

X. Program: Trade Adjustment Assistance

(Catalog of Federal Domestic Assistance: 11.313 Economic Development—Trade Adjustment Assistance)

Summary

Funds under the Trade Adjustment Assistance Program are awarded to a network of Trade Adjustment Assistance Centers, located around the Nation, which provide technical assistance to certified firms adversely affected by increased imports. Funds are also awarded under this program to organizations representing trade-injured industries. This program is authorized under the Trade Act of 1974, title II, Public Law 93–618, as amended, 88 Stat. 1978, 19 U.S.C. 2101–2487. This program was formerly under the International Trade Administration, U.S. Department of Commerce.

Funding Availability

Funds in the amount of $12.4 million are available for trade adjustment assistance to firms. In accordance with the Senate Report accompanying Public Law 101–515, these funds will be provided to the nationwide network of twelve (12) Trade Adjustment Assistance Centers (TAACs) through cooperative agreements which will utilize all of the available funds for trade adjustment assistance.

Therefore, no new centers will be funded in FY 1991. The report accompanying the Senate version of the FY 1991 Department of Commerce Appropriations Act advises that "TAAC's should not reserve any portion of these grants for closeout." Accordingly, full utilization of FY 1991 funds will be a factor in determining eligibility. Funds in the amount of $550,000 are available for industry technical assistance.

Program Objective

The Trade Adjustment Assistance Program is designed to provide technical assistance to certified firms and industries hurt by the impact of increased imports. The TAACs help firms submit certification petitions to the Trade Adjustment Assistance Division (TAAD) of EDA, and if the firm is certified, provides technical assistance. A firm should work closely with the appropriate TAAC in petitioning for certification. Certified firms should also work closely with the appropriate TAAC in diagnosing their problems and

developing an adjustment proposal, and in applying for technical assistance.

An industry association or other organization interested in receiving an industry assistance cooperative agreement must meet with a TAAD representative to discuss the industry's problems, opportunities, and assistance needs.

Criteria for Selecting Industry Assistance Proposals

Industry associations and other organizations seeking trade adjustment industry assistance must demonstrate that the industry is injured by foreign trade and that the activities to be funded will yield some short-term actions that the industry itself (and individual firms) can and will take toward the restoration of the industry's international competitiveness.

The emphasis is on practical results that can be implemented in the near term, and long-term research and development activities are given low priority. It is also expected that the industry will continue activities on its own without the need for continued Federal assistance.

Application Procedures

Industry associations or other organizations seeking industry assistance must submit an application identified as Standard Form 424 (OMB Control No. 0348–0043), if encouraged to do so as a result of the meeting with a TAAD representative.

Acceptable industry applications will be processed as funds are available; normally one to three months is required for agency approval.

Formula and Matching Requirements

Generally, a minimum of 50 percent share is required for industry assistance cooperative agreements.

Length and Time Phasing of Assistance

Industry assistance cooperative agreements are generally 12 months, but may be longer for tasks requiring more time to complete.

Further Information

For further information, contact Daniel F. Harrington, Director, Trade Adjustment Assistance Division, Economic Development Administration, room 4009, U.S. Department of Commerce, Washington, DC 20230; telephone, 202–377–3373.

XI. EDA Regional Offices

The EDA Regional Offices and the states they cover are:

Philadelphia Regional Office, Liberty Square Building, 105 South 7th Street, First Floor, Philadelphia, Pennsylvania 19106, telephone (215) 597–4603; serving Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia, and West Virginia.

Atlanta Regional Office, suite 1820, 401 West Peachtree Street, NW., Atlanta, Georgia 30308–3510, telephone: (404) 730–3002; serving Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

Denver Regional Office, 1244 Speer Boulevard, room 670, Denver, Colorado 80204, telephone: (303) 844–4717; serving Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.

Chicago Regional Office, suite A-1630, 175 West Jackson Boulevard, Chicago, Illinois 60604, telephone: (312) 353–7706; serving Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

Seattle Regional Office, suite 1856, Jackson Federal Building, 915 Second Avenue, Seattle, Washington 98174, telephone: (206) 442–0596; serving Alaska, American Samoa, Arizona, California, the Commonwealth of the Northern Mariana Islands, Guam, Hawaii, Idaho, Nevada, Oregon, Washington, the Federated States of Micronesia, and the Republic of the Marshall Islands.

Austin Regional Office, suite 201, Grant Building, 611 East Sixth Street, Austin, Texas 78701, telephone: (512) 482–5461; serving Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

Dated: December 14, 1990.

L. Joyce Hampers,

Assistant Secretary for Economic Development.

[FR Doc. 90-29814 Filed 12-19-90; 8:45 am]

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FRIDAY, FEBRUARY 23, 1990

House of Representatives,
Subcommittee on Economic Development,
Committee on Public Works and Transportation,
Indiana, PA.

BRIEFING

The Subcommittee met, pursuant to notice, at 10:18 a.m., in the Program Lounge, the Hadley Union Building at Indiana University of Pennsylvania, Indiana, Pennsylvania, Hon. Gus Savage presiding.

Present: Representatives Savage and Kolter.

Mr. **Savage**. This meeting of the Subcommittee on Economic Development will please come to order.

I am Gus Savage, Chairman of this subcommittee of the Committee on Public Works and Transportation of the U.S. House of Representatives.

As part of our jurisdiction, the subcommittee develops and writes the legislation that authorizes the economic development programs administered by the Economic Development Administration of the U.S. Department of Commerce as well as those administered by the Appalachian Regional Commission. The primary goal of these programs is to retain existing jobs and create new ones by assisting economically distressed local and regional areas in various ways to revitalize their economies and infrastructures, and to improve their labor force and highway systems.

With us today is the Honorable Joe Kolter, your own esteemed Member from New Brighton, who was first elected to Congress in 1982, after several outstanding years as a State representative. Joe now serves effectively and works hard on the Public Works and Transportation Committee, as well as on the Government Operations and House Administration Committees.

Of course, one of the main purposes of federal economic development programs is to at least cushion the economic distress caused by cutbacks in steel production and coal mining; and we regularly seek out and give careful consideration to recommendations in this regard from citizens.

However, there is a particular reason why we are in Indiana, Pennsylvania today—and as much as I am a fan of Jimmy Stewart's movies, even he is not that reason; Joe Kolter is. But, before hearing from my dear colleague, let me thank those of you who will participate in this briefing, for taking time from busy schedules to tell us about your economic problems as well as your successes in dealing with them, and your experience with ARC and EDA.

You see, coming from Chicago, Illinois, I need to learn more about small town and rural economic problems because, although I am elected from an urban district, as an American and Chairman of this subcommittee, I am equally concerned for all sections of our great nation.

As you all know, over the past 8 or 9 years, the Congress has been unsuccessful in enacting reauthorizing legislation for the Economic Development Administration as well as the Appalachian Regional Commission. However, we have been able to keep both agencies alive but only through the budget and appropriations process, because of persistent attempts by Administration officials to do away with both agencies.

This year, the President's proposed budget does include limited funds for the ARC for the first time, a mere $50 million; however, again it proposes to abolish EDA.

Our history has shown that periods of national economic recovery and growth, such as we have experienced over the past seven or so years, do not necessarily help all regions, industries or population groups evenly or at all. I believe this part of Pennsylvania is an unfortunate example of this. At one time in the midst of healthy steel and coal industries, it has since had a difficult struggle and more than its share of economic problems coping with the decline in these industries.

For this reason, our committee, for the fifth consecutive Congress, has undertaken to reauthorize and amend the Public Works and Economic Development Act and the Appalachian Regional Development Act. On December 1st last year we reported out H.R. 2015, a bill that would authorize $276 million for EDA and $185 million for ARC for each fiscal year through 1992. The bill, among other things, gives a higher priority to the Appalachian highway system than previously.

We expect the bill will be on the House floor in a few weeks, where we hope it will pass by the same wide margins as in previous Congresses. We want to send a clear message, if possible, to the Administration and to the Senate regarding the strength of the support for this legislation in the House.

[Statement of Mr. Savage follows:]

Statement of Hon. Gus Savage From Pennsylvania

It is a pleasure to be here in Indiana today. I want to thank those of you who will be participating in this briefing for taking time from busy schedules to appear and tell us about the economic problems you are facing, the successes you may have had, and your experience with ARC and EDA. We hope to gain greater insight about the effectiveness of these unique public-private sector partnerships and about your efforts to revitalize the economy of this area.

As you all know, over the past 8 or 9 years the Congress has been unsuccessful in enacting reauthorizing legislation for the Economic Development Administration and the Appalachian Regional Commission. However, we have kept both agencies alive through the budget and appropriations process, fending off persistent attempts by Administration officials to do away with them.

This year we were surprised—and please—that the President's Budget for FY 1991 included funds for the ARC. It is only $50 million, however, I can assure you that every effort will be made to increase that amount.

Unfortunately, funds for both agencies have been reduced to only about one-third the amounts received in 1980. That, of course, has drastically restricted the amount of economic development assistance that could be provided. For EDA it meant limiting both the number and dollar amounts of grants to help distressed areas. For the Appalachian Governors it made an already difficult task even more difficult, forcing them to narrow their mission and reduce the scope of their goals at the same time that the Region was hit hard by the severe national recession.

History has shown that periods of national economic recovery and growth such as we have experienced over the last seven-or-so years do not necessarily help all regions, industries or population groups evenly. I think this part of Pennsylvania is a good example. At one time in the midst of healthy steel and coal industries, it has since had a difficult struggle and more than its share of economic problems coping with the decline of these industries.

Clearly, there continues to be a need for Federal programs that seek to improve the economic climate of depressed areas and industries in order to create and retain long-term private sector jobs. Targeting special assistance to such areas is a cost effective way to help cure some of the ills and imbalances in the economies and fiscal capacities that exist among States, communities, regions and population groups. And, it is of vital interest to our entire country, because our United States economy is made up of many local and regional economies nationwide.

For this reason our Committee, for the fifth consecutive Congress, has undertaken to reauthorize and amend the Public Works and Economic Development Act and the Appalachian Regional Development Act. On December 1, last year, we reported out H.R. 2015, a bill that would authorize $276 million for EDA and $15 million for ARC for each fiscal year through 1992. The bill is designed to ensure that EDA and ARC contribute to the goal of nurturing and diversifying the economics of both urban and rural communities. Among other things, it gives a higher priority to the Appalachian highway system than previously.

We expect the bill will be on the House Floor next week or the following week where we hope it will pass by the same wide margins as in previous Congresses. We want to send a clear message to the Administration and to the Senate about the strength of our support.

What will the Senate do? Well, we have heard that Senator Moynihan intends to drop in a bill similar to H.R. 2015 and hold hearings this year. If the Senate passes a bill, we will likely have a conference with the Senate to reconcile any differences and then get the bill to the President and, hopefully, have it signed into law.

Meantime, however, we are here in Indiana to learn about on-going efforts to revitalize the economy of this area and about your infrastructure and human resource needs, about your goals and plans to create new businesses and jobs and to generally provide new opportunities for all residents. We also want to have the benefit of your recommendations about the role that EDA and ARC might play in helping to strengthen the economy of the area and improve quality of life.

And now, I would like to turn to my esteemed colleague.

Mr. SAVAGE. And now, for the opening remarks of your Congressman and my good friend, the Honorable Joe Kolter.

STATEMENT OF HON. JOE KOLTER, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA

Mr. KOLTER. Thank you, Mr. Chairman. Good morning.

I would like to take this opportunity to welcome each of you who came here to help us examine the economic distress we are facing in western Pennsylvania caused by the decline in the steel and coal industries.

I would especially like to thank my good friend and colleague, Gus Savage, who back in Chicago, is facing the same problem we are facing here. As Chairman of the Committee on Economic Development, one of his responsibilities is to help his colleagues by chairing these types of briefings. I would also like to thank his staff person, Mr. Carl Lorenz, who has worked cooperatively with my staff in making this hearing a reality today.

I would like to express my sincere thanks to IUP president, Dr. Welty, who has so graciously permitted and encouraged us to hold this briefing here on IUP's campus. Thank you, Dr. Welty.

To each of you who came here to testify, I thank you for all the efforts you have expended in preparing your testimonies. I know how busy your schedules are, but you are so very important to making this committee meeting today a success.

A special thanks must be given to Dr. Gerald Stacy, who worked so diligently and enthusiastically with my staff person, Peg de Mucci, in setting this up. Thank you, Jerry and thank you, Peggy, for all your efforts.

And last but not least, thanks to each and every one of you for your interest in the economics of this area. Your untiring efforts have aided our economy in the past, and I am hopeful that upon examination of your testimony today, we will be able to further assist the economic growth of our area in the very near future. With the help of the Subcommittee on Economic Development's recommendations, we hope to bring about some changes which will improve our economic status here in western Pennsylvania, and particularly here in the Fourth Congressional District.

Thank you very kindly, and thank you all. And Mr. Chairman, I think you ought to proceed with the day's business here.

Mr. **Savage**. Thank you, Joe. We will begin testimony with a very distinguished panel of three most knowledgeable persons that I now ask to come to the witness chairs. That is Mark A. Snyder, Vice President, Snyder Associated Companies of Kittanning, Pennsylvania; Joel McKean, President, Pennsylvania Coal Association; and George Dragonir, The Rochester & Pittsburgh Coal Company and Chairman of the Economic Development Commission for Indiana County.

I want to thank you for joining us here today. May I explain that we have copies of your testimony, and all such prepared statements will be placed in our official record. Therefore, if you want, you may simply paraphrase, give the essence of your testimony orally and hopefully within a much shorter period of time so we can reach all of the witnesses. Now having said that, we will begin with you, Mr. Snyder.

STATEMENT OF MARK A. SNYDER, VICE PRESIDENT, SNYDER ASSOCIATED COMPANIES, JOEL McKEAN, PRESIDENT, PENNSYLVANIA COAL ASSOCIATION, GEORGE DRAGONIR, CHAIRMAN, ECONOMIC DEVELOPMENT COMMISSION FOR INDIANA COUNTY

Mr. **Snyder**. Thank you, sir. I am going to veer from my prepared testimony somewhat, summarize it, if that is all right.

Chairman Savage, Congressman Kolter, ladies and gentlemen, I am Mark A. Snyder, Vice President of Snyder Associated Companies, Inc., a family business located in Armstrong County, Pennsylvania. Our primary business function is the extraction of natural resources. We are currently mining coal, sand and gravel, limestone, and are exploring for natural gas in and around Armstrong, Butler and Indiana Counties.

In addition to my own personal business experiences, I have worked and served in many capacities in related fields. I am a past chairman of the Pennsylvania Coal Mining Association and I am also a past president of the Armstrong County Chamber of Commerce. In addition to that, I am currently serving on a county advisory committee set up to administer a grant under the Community

Economic Recovery Program, as established by the Pennsylvania Department of Community Affairs.

I would like to take this opportunity to thank you for the invitation to participate in these hearings on economic development matters. I commend this subcommittee on its efforts to seek out knowledge on the community on which it governs.

If I may, I would like to take a few moments to reflect on the economic history of this small portion of the Appalachian region. In doing that, I would like to instill one thought in your minds: Every product and every item that we use and enjoy, at one time or another, can trace its beginnings back to mother earth. That means that basic industry is a must for our region as well as the United States. We need basic industries to keep our nation secure and economically stable. This area is an area rich in basic industry, which is the foundation for all economic systems. We keep hearing a lot about high tech and service industries; these industries would fail to exist if the chain was not started somewhere. Therefore, we as western Pennsylvanians feel that we have played a vital role in the development of this great nation.

Take, for instance, agriculture. Agriculture produces not only the food we eat, but the chemicals that are used in medicines, for the production of fuel, and so forth. Mining produces the coal that is used to generate electricity and stone to manufacture cement to go into our roads and homes. While we in western Pennsylvania are proud of this heritage, we have seen great changes take place over the past few decades. The business climate that allowed the basic industries to thrive and survive is changing its face; maybe for the good, maybe not. Only time will tell that. But you gentlemen here today will inevitably help choose the path that we follow, whether it be more law and Government regulation or less frustration and more Government cooperation.

Our community is no different than any other in the nation. We enjoy seeing growth; we enjoy new jobs; we like to see high tech as well as service industries come to our area. But please, let us not forget basic industry along the way.

There are many things that you gentlemen can do as part of the mandate of your full Committee on Public Works and Transportation and the Subcommittee on Economic Development. As I stated earlier, I am involved with a county committee looking at potential growth for the region. The main targeted item that will attribute to growth has been identified as improved transportation and infrastructure. Here is the reason why: It is because our county has recently seen some results from these types of improvements.

In 1986, a four-lane divided highway was completed, thereby connecting the upper Allegheny Valley with the Pittsburgh area. In the three to four short years since that completion, we have seen growth occurring with increased inquiries from businesses looking to locate in our area.

The new highway has been a great feature for our area, but there is still more to be done. While we have good highways from the south and west to the center of our region, we desperately need to look toward expanding our highways to the north to Interstate 80 and eastward to Indiana, where we sit here today.

In terms of infrastructure, there are only a few small communities in our area that have proper water and sewage facilities. Most of those facilities are currently maxed out in terms of capacity: New businesses or residences could not be added, even if we so chose. These are all goals that we have to work toward in the future.

With your help and guidance, maybe we can achieve them. We are willing to take charge of our own destiny as a community, and I feel that by testifying here today, that is one step in that process.

Our region is also blessed with several other modes of transportation. Namely, we have three railroads that serve our area, and we are the northeasternmost port in the inland water ways system. But if we as a community are not careful, we could lose these additional modes of transportation. As you may know or may not know, the Allegheny River operates with approximately three to five million tons of commerce annually, as compared to the Monongahela River, which carries around 30 million tons. When the U.S. Army Corps of Engineers looks at their cost-to-benefit ratio, it is very hard to justify keeping the locks and dams open, let alone maintaining them for future growth. We in Armstrong County see that mode of transportation as a key element in our economic development process.

Changing our focus to rail transportation, our area is currently facing an abandonment of the Conrail spur from Freeport to Templeton. There are several industrial sites along this line, but how can we ever sell those sites if the line closes?

As I stated earlier, we are trying to take charge of our own destiny. When we talk about the river, I can point to a nonprofit development group that is looking at new technologies for intermodal transportation. These new technologies could not only increase the tonnage carried, but it could also increase the cost-to-benefit ratio. It could also benefit the existing industries in our area by providing cheaper transportation costs, resulting in the ability to compete worldwide. There may come a point in time when we have to come to you to ask for help.

One last area of transportation that I failed to mention is aviation. Currently, our county does not have a general aviation facility. Over the past two years, we have been conducting a study and looking at possible locations for an airport. Our community leaders feel that while an airport may in itself not be a money maker, it will, however, be a hub for economic development. I know Congressman Kolter, you have spoken up many times and you do support our community leaders, and we thank you for that support.

Lastly, an item of a much broader nature in the sense of economic development is to discuss worldwide competitiveness and how we as Americans and how you as the Economic Development Subcommittee fit in. You and I both know the globe we live in is getting smaller and smaller every day. What happens in Japan, and what happens in Europe and the rest of the world is going to affect our economy. Competition is surrounding us, whether it be in the coal fields or the classrooms. We need to prepare ourselves for the 1990s, and learn to compete in a world in which we no longer dominate. There are many things that we can do to improve our competitiveness, but I would like to point to three issues that stick out in my mind as being the most important. In doing that, we have to draw the right lesson from what is happening around the world.

Issue 1, takes a quote from Professor Milton Friedman, a Nobel Prize winning economist:

> What's happening around the world has demonstrated very graphically that socialism is a failure and capitalism is a success. For us to draw the right lesson, we have to cut down the size of the government, keep government out of things and let the economy flourish, but I am very much afraid that there is a strong tendency to draw the wrong lesson: To draw the lesson that we need more socialism in the United States. With every problem, people seem to want to spend more government money, seem to get government involved more, get government to regulate more. Our biggest problem will be to restrain those impulses and let the efficiency of the private market system work, not only here, but around the world.

I think that that is a very strong statement to say to you gentlemen today; but it is one that I feel needs to be said. Government should do what it is best at, and business should do likewise. To quantify that, I would like to say that Government is good at building roads and water systems; it is good at defending liberty; and should be educating our youth. But it should also allow U.S. businesses to compete with other industrialized nations on an even playing field.

The second item in drawing the right lesson from what is happening around the world is to look at the savings rate in the United States. For the last 10 or 15 years, we have not had enough investment in this country. We are draining ourselves of capital and capital improvements that make ourselves competitive in the worldwide market. The investment rate related to the GNP in this country is half of that to Japan. In other words, Japan invests approximately 24 percent of its GNP in capital investment and technology, while we invest 12 percent.

Once again, thank you, and I appreciate the opportunity to speak before you.

Do you have any questions for me?

Mr. SAVAGE. Let me thank you, Mr. Snyder. The procedure will be to hear from Mr. McKean and Mr. Dragonir before we go to questions, and then we will take questions to the panel as one.

Let me also correct the mispronunciation of your city. It is "Kah-TEN" [Kittanning]; right?

Mr. SNYDER. "Kah-TEN"; that is correct.

Mr. SAVAGE. Thank you. I just want to learn. [Laughter.]

Mr. SNYDER. About 30 miles to the west.

Mr. SAVAGE. Mr. McKean.

Mr. MCKEAN. Thank you. Mr. Chairman, Mr. Kolter, Mr. Lorenz. As President of the Pennsylvania Coal Association, I appreciate the opportunity to address this distinguished subcommittee on behalf of our members, who produce 76 percent of the bituminous coal mined in Pennsylvania.

The Pennsylvania coal industry has long been the backbone of economic development in western Pennsylvania. However, times change; and for coal, times have changed for the worse.

According to figures compiled by the Department of Environmental Resources, the Pennsylvania bituminous coal industry produced 67.5 million tons in 1988, a 24 percent decline in the past decade. In terms of employment, just a little over 15,000 people were employed in the coal fields in 1988, making it the worst employment year in the Commonwealth's history. In 1979, coal employment exceeded 37,000 employees.

What is most disturbing about these figures is that they are not a reflection of either national or regional trends. While Pennsylvania coal production dropped by 24 percent in the past decade, national production has increased by 23 percent. Indeed, 1980 marked the first time that Pennsylvania finished lower than third in production among coal-producing States. Today we rank a distant fourth, more than 75 million tons behind third-ranked West Virginia.

While other States in our region like Kentucky and West Virginia—States with which we compete, States with similar markets and similar coals—have seen production increase over the past decade, Pennsylvania has seen the opposite trend. A number of factors have contributed to the decline of Pennsylvania coal.

About two-thirds of Pennsylvania's coal production is consumed by electric utilities. Reasonably-priced electricity over the past decade has meant economic growth and an improvement in the competitiveness of U.S.-manufactured goods, both at home and abroad. Accomplishments like an increase of over 26 percent in our gross national product in nine years and a tripling in the value of our merchandise exports in six years mean jobs and a rise in the standard of living. The records of the past will not be carried into the future without reasonably-priced energy and readily available electricity.

The estimated demands for electricity as we prepare to turn the corner into the next century cannot be met with current and planned generating capacity. Yet there have been no new coal-fired plants built in Pennsylvania since 1981. A report by the National Electric Reliability Council indicates that if current trends in demand continue, "supply deficiencies are likely by the early 1990s in the eastern half of the United States and Canada." Unnecessarily restrictive amendments to the Clean Air Act, such as now before the Senate, could exacerbate these shortages and make it much more difficult and costly to meet energy and electric needs in the future.

Another factor contributing to the problems for Pennsylvania coal is the impact of the economic decline in the steel industry. Although this decline has been well-documented, little, if any, attention has been paid to the historically strong link between the Pennsylvania coal and steel industries and the corollary impact which steel's hard times have inflicted upon coal.

In 1957, 37.5 million tons of Pennsylvania metallurgical coal went into the steel-making process. As recently as 1970, we produced nearly 30 million tons of metallurgical coal. By 1988, however, met coal production had plummeted to 7.7 million tons in a Pennsylvania. Amendments to the Clean Air Act will exacerbate this decline.

Perhaps the most important factors hampering our industry's ability to compete in the coal marketplace are the policies, practices and attitudes of our chief state regulator, the Department of Environmental Resources (DER) and indirectly, the U.S. Office of Surface Mining.

While not within the purview of this committee, a few facts are worth noting since they contribute in a significant way to the picture of industry you see in Pennsylvania. As one of the most heavily-regulated industries, Pennsylvania coal has witnessed firsthand the impact of DER on operating costs, employment, production and markets. The department routinely goes further than necessary in the implementation of Federal statutes or ignores the intent of State legislation, resorting to its own expansive interpretation of the law to impose its policies on our industry.

Consequently, Pennsylvania's coal mine permitting process is more complicated, more time-consuming and more costly than that of the neighboring States. In addition, Pennsylvania has the highest bonding rates and most extensive bonding requirements of competing coal States. These are just two of the dubious distinctions which befall those who choose to operate a coal mine in Pennsylvania. As a result, our operating costs are higher and our profits are lower than similar operations in neighboring States.

I am not suggesting that the duly-enacted laws under which we must operate are improper or otherwise without merit; nor are we trying to rid ourselves of regulations. On the contrary, we recognize our legal and social responsibility to extract coal safely and in an environmentally sound manner. However, we all too often find much to be desired in the interpretation, application and enforcement of these laws by self-styled guardians of the environment.

This committee has a tough but extremely important task: To look at the equation which must be balanced between economic development and competing, but no less important, considerations, such as environmental quality. Coal historically has been a cyclical industry, changing, adapting, shrinking and growing to meet the demands of the times. The importance of coal, even in the worst of times, and its potential must not be overlooked. In 1988, the industry generated some $1.9 billion in sales in Pennsylvania. And the 15,000 mining jobs meant work for three times that number of people in related industries. Further, this great Commonwealth contains approximately 10 percent of the nation's coal reserves, a vital element in the bridge to our energy strategy for the next century and beyond. The coal industry of Pennsylvania is committed to mining coal safely and burning it in environmentally sound ways. We are proud of our progress and anticipate the potential of the future. All we ask is the opportunity to contribute to the economy of our State and the security of our nation.

Thank you for this opportunity of addressing this distinguished committee.

Mr. **Dragonir**. Thank you, and welcome to Indiana County, Chairman Savage, Congressman Kolter and Mr. Lorenz, members of the Subcommittee on Economic Development of the Committee on Public Works and Transportation.

I am George Dragonir, Chairman of the Indiana County Economic Development Commission, and Director of Purchasing for the Rochester and Pittsburgh Coal Company, Indiana County's largest employer, with 2500 active workers.

To better understand the magnitude of the coal crisis, I offer a brief review of mining in Indiana County. Indiana County and R&P were number one in the Commonwealth of Pennsylvania just a few years ago in the production of bituminous coal. Today, latest figures reveal that we both rank second in the State. Indiana County produced 9.1 million tons or 13.5 percent of the State's coal production, as mentioned by Mr. McKean. All of the local coal is used in the production of electricity at the three local generating stations that provide power to the majority of the eastern seaboard.

Currently, almost 3,000 people are employed as miners in Indiana County, or close to one-fifth of the State's total coal employment. These figures have shrunk drastically with massive widespread permanent layoffs occurring, which peaked during the spring and summer of 1988 when the Rochester and Pittsburgh Coal Company was forced to relieve 1,200 miners of their jobs.

The depressed conditions for the local coal market not only affected R&P, but forced over a dozen other independent producers in the county to close their doors permanently.

With what has happened to the local coal economy, there is naturally a ripple effect. The damage that has occurred and is still occurring is difficult to measure in some cases. For instance, the number of support businesses—many of them small operations—were forced to close their doors forever. The exact number is not known and may never be known. Those that were diversified or were able to make adjustments have survived. The others have packed up and left town, employers and employees alike. The 1988 major R&P job reduction has had the following significant impact on Indiana County: A $33 million annual reduction in payroll. For governing bodies, it has meant an annual loss of over $700,000 in State taxes, $330,000 in local taxes, and close to $190,000 in local occupational assessments.

Part of our current economic woes stem back to the early 1970s when the nation was pinched by Middle East oil cartels. The Federal Government, recognizing our over-reliance on foreign oil and striving for energy independence, ordered coal producers at home into high gear. The coal industry responded by opening new mines at an enormous rate. Then, the energy alarm ended, but the coal companies were left with many mines and no promised markets.

Today, we are again dependent on foreign oil for over 50 percent of our requirements. It is time a national energy policy was developed. Another shortage or price runup would produce devastating effects on our economy again. What do we need to do in order to prevent history from repeating itself? We need an energy policy that uses coal in place of imported oil. This would provide jobs as well as energy independence.

Certain legislative issues could have a negative impact on the coal industry; not just on our community and our people, but to the nation as a whole.

Acid rain and clean air legislation is necessary. We all want clean air and clean streams. But without the proper cost-effective technology in place to meet whatever guidelines that are established, we would again be shooting ourselves in the foot.

I urge you to use prudence when it comes time to adapt whatever laws and regulations are drafted. Premature or over-reactive measures again would be catastrophic to the lives of many.

Most recently, the Economic Development Agency and the Appalachian Regional Commission granted $1,250,000 as a result of acceptance of our Title IX application and proposal for economic revitalization in this area. As Chairman of a countywide commission on economic development, I thank you, and you particularly, Congressman Kolter, for your support.

The future of Indiana County is in diversification. In order to accomplish this, we must begin to rebuild and expand our infrastructure to accommodate the expansion of local industries and newly-acquired businesses. At the present time, the necessary ingredients, such as adequate sewerage and transportation, are virtually nonexistent for a majority of the county. We are addressing these issues; however, we need financial assistance to tackle these expensive public projects.

We are looking forward to working with you and other related agencies of the Federal Government as we begin together to address the adoption of a national energy policy, responsible environmental legislation, and the groundwork for the diversification of Indiana County's economy.

On behalf of the Rochester and Pittsburgh Coal Company and the Indiana County Economic Development Commission, I thank you for the opportunity to address this distinguished panel today.

Mr. SAVAGE. Thank you, Mr. Dragonir. Let me give time to my colleague, Congressman Kolter, for questioning at this time.

Mr. KOLTER. Yes. Thank you, Mr. Chairman. I would first like to preface my interrogation. I want to recognize some of the VIPs here. Mayor Varner was just here a few moments ago. There he is; he is still back there. Mayor Varner, good seeing you. I know you are interested in economic development, and I am delighted to see you here, sir.

Bea Statos, our County Commissioner; I know her profound interest in this problem; and she is here.

State Representative Paul Wass, my good friend and colleague, whom I served with in Harrisburg, is here. Paul, would you stand, please?

And I think there may be some others whom I do not recognize, but they are some of the major public officials here, Mr. Chairman. I thought you ought to know that. And those people who just walked in. A school teacher by the name Sam Zaffuta brought his class of his seniors to see what we're doing, and they are going back with a pretty good impression, I think; hopefully.

I would first like to thank this panel here. It is just interesting that the three of you really hit on the problem. Mr. Snyder, your clean and clear insight into the importance of the infrastructure—in the 21 years I have served in Government including on the Committee of Transportation, time and time again, I have seen how a vital project like a new highway will bring industry in. I have seen monies poured into airports in various counties bringing industry in. So, you are correct. Here in Indiana County, we do need additional assistance.

I came in last night from Washington. I came out on Route 220 to 22 to 422, and I could see where we really need a bill I have amended. We have a transportation bill this year, and part of the bill is a request we have made to improve a 12-mile piece of highway from Indiana down to Blairsville. Now, if we were to make that four-lane, I think you will find industry very happy about that, and you may see some new relocations here in this area. I think it is very important that we proceed with this, and I just keep my fingers crossed that the committee will accept it. It was meant to be part of the 1990 Infrastructure Bill.

I think it is interesting to note also in your statement, your quoting Lee Iacocca, a speech he made with the NAM. Monday of next week, I will be in Pittsburgh, speaking with the NAM also. And it is interesting to note that one of the premises that I am going to use is your same subject matter: The need for providing monies for education because a lot of money is spent for remedial education. The education that should have been provided in secondary schools and in colleges was not there. I think while some members of the legislature and Congress take pride in cutting the educational budget, they are doing more harm than they realize. I think the easiest vote I have justified in my 20 years of Government is a vote for education. Today we find industry spending millions and millions of dollars in remedial education to retrain their people who should have been trained in high school. So, you really hit the nail on the head right there.

Mr. McKean, you have itemized some painful statistics, very painful; but they are true. We are facing a Clean Air Bill that is going to be voted this year some time, and quite frankly, we are befuddled. I find that we are painting ourselves into a corner. If we are going to provide the clean air that some of the people are asking for, the net result is we will probably eliminate all the mining jobs we have in Pennsylvania.

At one time, the Fourth Congressional District, two years ago, was known as the number one coal-producing district in Pennsylvania. Now, that may have changed. We may be number two now; I do not know. But, is it true, sir, that the biggest problem we have here is the fact that the sulfur content is so high that the utilities are having problems utilizing our coal?

Mr. McKEAN. That is a problem, sir; but there is a solution. And the solution is to let industry, particularly the electric-generating industry, use the means that are available to them to burn the coal cleanly. Now, when I say, "means," it is technology. And the real problem, as we see the legislation that is being considered, is that it does not allow clean coal technology to be proven commercially and brought online. It would instead, by the timelines that they have drawn, cut that off, forcing the utilities to make a decision prematurely. And they cannot do that; so consequently, they are driven into a current technology like scrubbing.

If you let them have the opportunity to choose the technology which has been proven in the lab, it just has not been proven commercially; and that is a five- to ten-year timespan, we are talking about the year 2000 or the year 2003. It does not take much of an expansion beyond that, maybe a couple of years, to let that technology play. Now, the public is tired of saying, "Put it off for more research," I think; and you are sensitive to that, I am sure.

But this is not just putting it off; this is allowing the laboratory research which has already been proven to be proven commercially and brought into existence, which will clean the air better. It will get rid of more than just the sulfur; it will get rid of the nitrous oxide. It will provide the rate payer with better service at lower rates. So, everybody wins, and the coal miners stay at work, and Pennsylvania stays in at least the top four producers, and the air becomes cleaner as a result of it. So, what we need is some reasonableness in that legislation. That is just one area.

Mr. KOLTER. You are going to find, if you read the newspapers and television, the problem is that the word, "reasonable" is not going to be a term used. You are going to find that there are those who are for and those who are against. You know, I cannot tell you the number of hours I have spent testifying and pleading before the Committee on Appropriations to provide more funding for cleaner technology.

I have flown to California recently, studying some techniques out there. I think now, with the dramatic changes in Eastern Europe, that we are going to provide less money for defense. We have to be careful here; we must have a strong defense. But I think we will have additional monies that we can now utilize, hopefully in this area, and a proportion of that would go toward the study of the clean air technology. I think that it is good for your people, it is good for the coal producers, and it is certainly good for the coal miners. And that is the aim that we are striving for.

Yes, Mr. McKean?

Mr. MCKEAN. Could I go on for a second, because Mr. Dragonir addressed this as well. It would be a wonderful opportunity if the Congress of the United States could bring two things together. On the one hand, the Department of Energy has undertaken a long overdue study on the energy strategy for the next century. That needs to be incorporated with what we are doing with clean air because what we are going to end up with is an energy policy that is determined by legislation for clean air. And it would be wonderful if we could get the horse in front of the cart and do the energy planning which is sorely needed, and provides a beautiful bridge to whatever that next century has in it—some new technologies. But they could incorporate things that would provide for clean air. It is certainly needed, but we are getting the cart in front of the horse.

Mr. KOLTER. You are absolutely correct. I note with great interest that you suggest we ought to have an energy policy. I have made a number of speeches on the floor relative to this; it has fallen on deaf ears. But I think with a change of administration—I think that you are going to find that, with the Bush administration working more closely with Congress, we are going to have some end results that will prove beneficial to both the industry and the working people, to the miners. I think we are going to have a policy here—and again, it will not happen overnight; we just cannot push that button. But, given the time that we do have, it has been recognized at various levels that this is so very important for the American future, I would suggest that this will be a reality. Thank you, Mr. McKean.

Mr. Dragonir, I read with great interest this morning your paper I found in my Indiana office dated February 21, that the Pittston miners have voted to go back to work. Members of Congress from West Virginia, Ohio and Kentucky, and myself, representing Pennsylvania, met on a number of occasions with the officials of the Pittston Coal Company. And it was devastating; devastating because on a number of occasions, the meetings were broken up because the officials of that company insisted that the reasons that they are having problems are because of the fact that they think that nonunion miners are better producers than miners from a union.

And I am just pleased to note that R&P does not feel that way; that you do have union miners here, and that you are working and trying to resolve your differences here. I think there is a world of difference with what happened with Pittston and the problem we have here.

Can you suggest, Mr. Dragonir, what we can do here to help your company and to help our coal mining friends?

Mr. **Dragonir**. I think that we ought to address the idea of the energy policy. We need to have a larger demand for coal. I think there is more production, more mines available in this country than we have markets for. At the present time, this year will probably be a record for national coal production in this country. We will have an oversupply. We have mines sitting idly by. We probably have some 500 million tons of capacity provided that are going idle. We have thousands of UMW miners unemployed today throughout the eastern seaboard. We need an energy policy that utilizes domestic coal in the place of foreign oil. We need jobs here and we need more funds.

Mr. **Kolter**. I belong to the Congressional Coal Caucus, and it was disappointing to learn that many of the people from Kentucky and West Virginia do not have the problems that we have because their coal does not have the high sulfur content that our coal here has. And it was disappointing because I was hoping to get their assistance in alleviating some of our problems here in Pennsylvania.

But I think your insight is clear. When you mentioned that we need an energy policy—as Mr. McKean noted, and as Mr. Snyder would certainly approve of—that is the direction we have to go. Now again, let me add in closing that I think perhaps not this year, but sometime within the next two years, this may be a reality because I think the administration recognizes this fact, and I think the ability of the administration to work with Members of Congress is going to bear a lot of fruit.

So again, I want to thank this panel for your testimony today. Mr. Chairman.

[Applause.]

Mr. **Savage**. Let me ask a few questions to clear what appears to be some possible conflict to me. Incidentally, as I ask this, I will ask a member of this panel for his views while I make reference to the statements of particular witnesses.

Mr. Snyder, you quote from a Professor Friedman about the problem of the need to cut down the size of Government and to keep Government out of things. And then, you further quote him as saying that, "Every problem, people seem to want to spend more government money, seem to get government involved more * * *," and so forth. Then, you end up quoting him saying that the efficiency of the private market system works.

Moreover, from your testimony, you point out some needs: A general aviation facility; the need to maintain the Allegheny River system despite the fact that you say the cost-to-benefit ratio is very hard to justify keeping the locks and dams open. You point out the need to expand your highway system north to Interstate 80 and eastward to the Indiana region. You point out the need to improve your infrastructure and even cite examples that as a result of such improvements, you expect a double investment in growth.

Now, on the one hand, you are quoting the professor, urging that we have less Government involved and so forth, and obviously, it does involve regulation. By necessity, that follows Government funding; there has to be some regulation. When we fund, we also have to be responsible to look out for the taxpayers' interests. The interest follows the money.

How can you ask for Government funding for projects that you say will feed into your need for industrial revitalization investment in Pennsylvania, on the one hand; and on the other hand, quote Professor Friedman?

Mr. **Snyder**. I anticipated that question. It does seem contradictory. When I wrote the testimony, I felt that myself. I attempted to quantify it; my quantification is not in your testimony.

How I vote the quote or how I would like to see the quote interpreted is, let Government do what it is best at: Building highways; building infrastructure; educating our youth; defending liberty in the nation; those types of things. But try to cut back the size of Government when it comes to competing with other industrialized nations that are on the same scale as us. I am not speaking Third World nations; I am speaking of Japan, France, West Germany, Britain. We need to be able to compete on a level playing field.

Just take the coal business, for example. There is some new production coming online that will influence the world market. It is coming online in Venezuela and Colombia. We just cannot compete with those production costs, and regulation in Government has added drastically—and I believe that was Mr. McKean's statement—to the cost of producing a ton of coal in this State, or a ton of limestone or anything else.

Mr. **Savage**. Well, now, you do want more Government funding for the purposes in the areas that you describe here, in western Pennsylvania. Is that correct?

Mr. **Snyder**. That is what I have asked for; yes.

Mr. **Savage**. But to do that, that is, to increase Government expenditures in those areas and yet cut down the overall size of Government, then you must envision more than just offsetting cuts in other areas of interest or geography. Is that right?

Mr. **Snyder**. I do not follow that question; could you restate it?

Mr. **Savage**. Let me tell you what I mean by that. A couple of years ago, when we had the tax reform legislation, that was the same, all right, because everyone had the interest. And the saying was when you were with Members of the Ways and Means Committee, well, you would say, "Tell you what. Let us not tax you, and do not tax me. Tax that guy behind the tree." What I am saying is, you know, in Congress, the problem we run into is you have to offset cuts. You have to put some money somewhere. And when you go from region to region, each sector of interest may have its own interests.

Now, for instance, if I might go on to Mr. McKean——

Mr. **Snyder**. If I could explain my statement?

Mr. **Savage**. Yes.

Mr. **Snyder.** I am not advocating that we cut taxes or what not. I am advocating, let business compete on a level playing field. We cannot compete in this worldwide market with more Government regulation. The coal industry, which I am closest to, is just overburdened with regulation. And it is not necessarily the regulation; a lot of times, it is the interpretation and the attitudes of the people that we have to work with. It is just totally unreal to run a business in this society. And that is what I was trying to allude to. Now, I quoted the professor's exact statement; I do not necessarily agree with 100 percent of it, but I agree with the intent of it, if you will.

Mr. **Savage.** I was a small business man before being elected to Congress, and I have some small appreciation of what you are saying. Of course, I think Mr. McKean's criticism was more directed at DER and the problems of bonding, which are of course State matters, rather than Federal matters. And here, we want to get back to EDA and ARC, even to the extent possible, away from the environmental problems, which is another jurisdiction altogether in Congress.

Now, I want to ask, before I move back to Mr. McKean, of you, Mr. Snyder: Do you favor re-authorizing the Economic Development Administration and the Appalachian Regional Commission, as I communicated in my opening statement?

Mr. **Snyder.** Yes; along the lines that you indicated. To be honest with you, I am not that familiar with what either body does. I am here representing business today, and am new in the economic development scene in our area; I am not that familiar.

Mr. **Savage.** Now, I have a list here, a list of projects. I want to show it to you. This is a printout I had made before I came down, of EDA and ARC projects in western Pennsylvania. I think you should be proud of the fact that your Representative in Congress has done a very good job between EDA and ARC funds invested in Pennsylvania, even though you may need more because of your special problems.

Let me show you. Here is a list of projects; it is pages long, all by Federal funding. All the projects are related. This is a further printout of the ARC projects. All EDA projects are supposed to be business-related in the sense that they are to revitalize industry and to create permanent jobs in the private sector. That is what EDA is about.

And you have a lot more projects in western Pennsylvania than in other regions of the country, because of economic distress suffered as a consequence in the decline of steel and coal, which are concentrated industries in this area.

These projects would not exist if the administration had its way, which is to eliminate EDA altogether; and clip funding in ARC to $50 million from the almost $200 million—$185 million to be precise—that we propose is needed.

Now, to talk about your needs that relate to EDA. Infrastructure funding out of the Federal Government comes out of both ARC and EDA. Economic development projects are always EDA. The expansion in highway construction that you say is needed, that is ARC. You cannot do that with only $50 million, I can tell you.

So, you cannot, on one hand, testify as to your needs in this regard and have any reluctance about maintaining EDA and ARC that control funding. We cannot go back to Washington and say that, well, you do not want EDA and ARC, yet, you want the programs that EDA and ARC fund.

Mr. **Snyder**. As I said earlier, I tried to quantify that——

Mr. **Kolter**. Mr. Chairman——

Mr. **Snyder** [continuing]. And maybe I have not done it in a very good way. I am trying to say, you know, cut down on the size of Government when it comes to letting business compete. I am not saying to cut down the size of Government when it comes to building roads or water systems or defending our country. I do not believe in that.

But we do need to be able to compete with other industrialized countries, and with a lot of the attitudes in Washington and Harrisburg, we just cannot do that.

Mr. **Savage**. Well, to me, that is terribly uncertain. You do favor maintaining EDA and ARC?

Mr. **Snyder**. Yes, as it has been presented, and all those projects you have stated; yes, I favor that. We sell limestone for road; why would I not favor that?

Mr. **Savage**. Very good. Joe.

Mr. **Kolter**. Mark, I think the Chairman quite vividly points out the problem we face in Washington, in that there are so many people programs, so many business programs that are so very important for survival. Like you mentioned playing on a fair field: It is very difficult because we are private industry here, and we are working with governments that support their industry, which makes it most unfair.

But the point here is—and it is well-taken—if you go back to page 4 of your statement where you are talking about the infrastructure and where small communities have the proper amount of water and sewage facilities. Some years back, I think before I went to Congress, I think one of the first things the Reagan administration did was eliminate the monies for this program. There was a time when I was a State legislator that I could go down to Washington with my Congressman and get funding for a sewer project for a community. It might take a year; it might take two years.

But today, there is no money for that. It looked good on paper where the taxes were being cut; the size of Government is being reduced. We are paying less money, but there is a point where it starts hurting.

And there are so many areas in Pennsylvania and the nation that have this type of water and sewage problems. And those of us who have tried to provide these in Washington, we do not have the votes because what we are facing is more or less one party for it, the other party against it. And it hurts. But I think this is what the Chairman is trying to point out: The difficulty that we are having to provide the service that you need, that Mr. Dragonir needs and Mr. McKean needs, and we do not have the monies for it. Mr. Chairman.

Mr. **Savage**. Yes. May I, before dismissing this panel, raise this question for Mr. McKean and Mr. Dragonir. I am trying as much as possible not to get into the problem of balancing our environmental protection needs and the need to promote economic welfare. I recognize in your statement, Mr. McKean, the need to strike this balance. You have not opposed the need to give proper concern to our environmental protection needs.

But I want to relate it to what we are here for, which is to deal with the programs of EDA and ARC as they may relate to your needs. Now, I wonder, when Mr. Dragonir mentions the need of diversification. In fact, he says, the future of Indiana County is in diversification. And when you talk of this balance that you wish to strike, we help that needed balance by recognizing the points that Mr. Dragonir has thrown into the balance, some plans for diversification, meaning to ease the dependency of western Pennsylvania upon its high sulfur fuel.

Mr. **McKean**. I think that is very necessary, and I think I would applaud the work of the committee as very necessary work. On one hand, when jobs are lost because of closing of mines for whatever reason, whether it is sulfur or other causes, and helping those people economically get into diversified fields, etc., I think that is very necessary.

I also think it is very necessary as we go forward in our energy program, whatever that number of years is when we have used our coal reserves or we have chosen other forms of energy because of advances in technology to make that diversification and to help it.

At the same time, I think we make a mistake if we assume away coal: If we kind of assume that our problems are too big; our sulfur is too high. We are going to close up, so we had better go work hard on the diversification and how we are going to help these people because Pennsylvania does have almost 10 percent of the reserves, and not all of that is high sulfur. And that can be mixed with low-sulfur coal. And that can be cleaned, and it can be burned in different fashions to get the sulfur content and the nitrous oxide well within the legislative amendments that are being considered. So you can do that.

All I am saying is, I think there is a role for both. I think there is certainly a role for what you are doing, and I applaud you for that. I think there is also a role for the continued use, certainly a bridge into that future, and I do not know whether it is 100 years or 50 years, but coal and the other fossil fuels have a use, and we should not just abandon that. If we do, we are going to find that we are in trouble because we are already about 1½ percent ahead of where we thought we would be in our energy use of electricity; and if by early 1990s, we do not do something about it, we are going to have brownouts. We came close to them in the last couple of years. Also in December, in a cold spell, we realize how necessary coal is in the production of electricity. Remember when the price of oil was skyrocketing and the gas was not available; the solution to our energy problem takes all of them working together.

Mr. **Savage**. Again, though, Mr. McKean, let me say that all of the programs with EDA and ARC may not be available to help with regard to your main concern. However, there are programs there that can relate and encourage the kind of diversification that I believe Mr. Dragonir referenced.

But of course, unless there is strong support for continued assistance and for funding of economic development in this administration, and that is to help out the national and regional commissions, those programs will not be available to promote diversification. But again, if there is any indication from you that your support for the operation of these programs is weak—I can tell you, we have some colleagues back in Washington who have other interests to represent, who would be glad to take that money and put it elsewhere. So, you do not want to exacerbate the problems that we already have keeping us here. You know, everyone in Washington, all members of Congress, are trying to get a piece of what is there. And there is a limitation to the size of that pie, so I hope we will continue to enjoy your support of ARC and EDA programs.

Mr. **McKean**. You do; and if I have implied anything other than full support, I implied wrongly.

Mr. **Savage**. Let me thank you again. This has been just a very helpful and knowledgeable panel. I really, really want to thank you for taking the time to say that you are concerned with us here today. Thank you.

[Applause.]

[The prepared statements of Messrs. Snyder, McKean, and Dragonir follow:]

APPEARANCE OF MARK A. SNYDER
VICE PRESIDENT OF SNYDER ASSOCIATED COMPANIES, INC.
BEFORE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT
COMMITTEE OF PUBLIC WORKS AND TRANSPORTATION

FEBRUARY 23, 1989
INDIANA UNIVERSITY OF PENNSYLVANIA
INDIANA, PENNSYLVANIA

Chairman Savage
Congressman Kolter
Distinguished Representatives
Ladies & Gentlemen

I am Mark A. Snyder, Vice President of Snyder Associated Companies, Incorporated, a family business located in Armstrong County, Pennsylvania. Our company, which was founded by my father and uncle, has been in business for nearly fifty years. Our primary business function is the extraction of natural resources. We are currently mining coal, sand and gravel, limestone, and are exploring for natural gas in and around Armstrong, Butler and Indiana Counties. We are also involved in manufacture of raw cement and concrete block. In addition to my own personal business experiences, I have worked and served in many capacities in related fields. I have served on the Board of Directors and also am a Past Chairman of the Pennsylvania Coal Mining Association, I have served on the Board of Directors and I am also Past President of the Armstrong County Chamber of Commerce. In addition to that, I am currently serving on a state mandated advisory committee, the Mining and Reclamation Advisory Board, as well as a county advisory committee set up to administer a grant under the Community Economic Recovery Program as established by the Pennsylvania Department of Community Affairs.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK YOU FOR THE INVITATION TO PARTICIPATE IN THESE HEARINGS ON ECONOMIC DEVELOPMENT MATTERS. I COMMEND THIS SUBCOMMITTEE ON ITS EFFORTS TO SEEK OUT KNOWLEDGE ON THE COMMUNITY ON WHICH IT GOVERNS.

IF I MAY, I WOULD LIKE TO TAKE A FEW MOMENTS TO REFLECT ON THE ECONOMIC HISTORY OF THIS SMALL PORTION OF THE APPALACHIAN REGION. IN DOING THAT I WOULD LIKE TO INSTILL ONE THOUGHT IN YOUR MINDS. EVERY PRODUCT AND EVERY ITEM THAT WE USE AND ENJOY AT ONE TIME OR ANOTHER CAN TRACE ITS BEGINNING BACK TO MOTHER EARTH. THAT MEANS THAT BASIC INDUSTRY IS A MUST FOR OUR REGION AS WELL AS THE UNITED STATES. WE NEED BASIC INDUSTRY TO KEEP OUR NATION SECURE AND ECONOMICALLY STABLE. THIS AREA IS AN AREA RICH IN BASIC INDUSTRY WHICH IS THE FOUNDATION FOR ALL ECONOMIC SYSTEMS. WE KEEP HEARING ALOT ABOUT HIGH TECH AND SERVICE INDUSTRIES; THESE INDUSTRIES WOULD FAIL TO EXIST IF THE CHAIN WAS NOT STARTED SOMEWHERE. THEREFORE, WE AS WESTERN PENNSYLVANIANS FEEL THAT WE HAVE PLAYED A VITAL ROLE IN THE DEVELOPMENT OF THIS GREAT NATION.

TAKE FOR INSTANCE, AGRICULTURE. AGRICULTURE PRODUCES NOT ONLY THE FOOD WE EAT, BUT CHEMICALS THAT ARE USED IN MEDICINES, FOR THE PRODUCTION OF FUEL, AND SO FORTH. MINING PRODUCES THE COAL THAT IS USED TO GENERATE ELECTRICITY, AND STONE TO MANUFACTURE CEMENT AND TO GO INTO OUR ROADS AND HOMES. WHILE WE

IN WESTERN PENNSYLVANIA ARE PROUD OF THIS HERITAGE, WE HAVE SEEN GREAT CHANGES TAKE PLACE OVER THE PAST FEW DECADES. BUSINESS CLIMATE THAT ALLOWED THE BASIC INDUSTRIES TO THRIVE AND SURVIVE IS CHANGING ITS FACE, MAYBE FOR THE GOOD, MAYBE NOT. ONLY TIME WILL TELL THAT. BUT YOU GENTLEMEN HERE TODAY WILL INEVITABLY HELP CHOOSE THE PATH THAT WE FOLLOW WHETHER IT BE MORE LAW AND GOVERNMENT REGULATION OR LESS FRUSTRATION AND MORE GOVERNMENT COOPERATION.

OUR COMMUNITY IS NO DIFFERENT THAN ANY OTHER IN THE NATION. WE ENJOY SEEING GROWTH, WE ENJOY NEW JOBS, WE LIKE TO SEE HIGH TECH COME AS WELL AS SERVICE INDUSTRIES. BUT PLEASE LET'S NOT FORGET BASIC INDUSTRY ALONG THE WAY.

THERE ARE MANY THINGS THAT YOU GENTLEMEN CAN DO AS PART OF THE MANDATE OF YOUR FULL COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND SUBCOMMITTEE ON ECONOMIC DEVELOPMENT. AS I STATED EARLIER I AM INVOLVED IN A COUNTY COMMITTEE LOOKING AT POTENTIAL GROWTH FOR THE REGION, THE MAIN TARGETED ITEM THAT WILL ATTRIBUTE TO GROWTH HAS BEEN IDENTIFIED AS IMPROVED TRANSPORTATION SYSTEMS AND INFRASTRUCTURE. HERE IS THE REASON WHY, IT IS BECAUSE OUR COUNTY HAS RECENTLY SEEN SOME RESULTS FROM THESE TYPES OF IMPROVEMENTS. IN 1986 A FOUR LANE DIVIDED HIGHWAY WAS COMPLETED WHEREBY CONNECTING THE UPPER ALLEGHENY VALLEY WITH THE PITTSBURGH AREA. IN THE THREE TO FOUR SHORT YEARS SINCE THAT COMPLETION, WE HAVE SEEN GROWTH OCCURRING WITH INCREASED INQUIRIES FROM BUSINESSES LOOKING TO LOCATE IN OUR AREA.

THE NEW HIGHWAY HAS BEEN A GREAT FEATURE FOR OUR AREA, BUT THERE'S STILL MORE TO BE DONE. WHILE WE HAVE GOOD HIGHWAYS FROM

THE SOUTH AND WEST TO THE CENTER OF OUR REGION, WE DESPERATELY NEED TO LOOK TOWARD EXPANDING OUR HIGHWAYS TO THE NORTH TO INTERSTATE 80 AND EASTWARD TO THE INDIANA REGION.

IN TERMS OF INFRASTRUCTURE THERE ARE ONLY A FEW SMALL COMMUNITIES IN OUR AREA THAT HAVE PROPER WATER AND SEWAGE FACILITIES. MOST OF THOSE FACILITIES CURRENTLY ARE MAX-D OUT IN TERMS OF CAPACITY; NEW BUSINESSES OR RESIDENCES COULDN'T BE ADDED ON EVEN IF WE SO CHOSE. THESE ARE ALL GOALS THAT WE HAVE TO WORK TOWARD IN THE FUTURE. WITH YOUR HELP AND GUIDANCE, MAYBE WE CAN ACHIEVE THEM.

WE ARE WILLING TO TAKE CHARGE OF OUR OWN DESTINY. I FEEL THAT BY TESTIFYING HERE TODAY WE ARE TAKING ONE STEP IN THAT PROCESS.

OUR REGION IS ALSO BLESSED WITH SEVERAL OTHER MODES OF TRANSPORTATION, NAMELY WE HAVE THREE RAILROADS THAT SERVE OUR AREA, AND WE ARE THE NORTHEASTERN MOST PORT OF THE INLAND WATER WAYS SYSTEM, BUT IF WE AS A COMMUNITY ARE NOT CAREFUL, WE COULD LOOSE THESE ADDITIONAL MODES OF TRANSPORTATION. AS YOU MAY KNOW OR NOT KNOW, THE ALLEGHENY RIVER OPERATES WITH APPROXIMATELY THREE TO FIVE MILLION TONS OF COMMERCE ANNUALLY AS COMPARED TO THE MONONGAHELA RIVER WHICH CARRIES AROUND THIRTY MILLION TONS. WHEN THE U.S. ARMY CORPS OF ENGINEERS LOOKS AT THEIR COST TO BENEFIT RATIO IT IS VERY HARD TO JUSTIFY KEEPING THE LOCKS AND DAMS OPEN, LET ALONE MAINTAINING THEM FOR FUTURE GROWTH. WE IN ARMSTRONG COUNTY SEE THAT MODE OF TRANSPORTATION AS A KEY ELEMENT IN OUR ECONOMIC DEVELOPMENT PROCESS.

CHANGING OUR FOCUS TO RAIL TRANSPORTATION, OUR AREA IS CURRENTLY FACING AN ABANDONMENT OF THE CONRAIL SPUR FROM FREEPORT TO TEMPLETON. THERE ARE SEVERAL INDUSTRIAL SITES ALONG THIS LINE, BUT HOW CAN WE EVER SALE THEM IF THE LINE CLOSES.

AS I STATED EARLIER, WE ARE TRYING TO TAKE CHARGE OF OUR OWN DESTINY, BUT SOMETIMES WE NEED HELP. WHEN WE TALK ABOUT THE RIVER I CAN POINT TO A NON-PROFIT DEVELOPMENT GROUP THAT IS LOOKING AT NEW TECHNOLOGIES FOR INTERMODAL TRANSPORTATION. THESE NEW TECHNOLOGIES COULD NOT ONLY INCREASE THE TONNAGE CARRIED, BUT IT COULD ALSO INCREASE THE COST TO BENEFIT RATIO, HELPING THE CORPS OF ENGINEERS JUSTIFY KEEPING THE LOCKS OPEN. IT COULD ALSO BENEFIT THE EXISTING INDUSTRIES IN OUR AREA BY PROVIDING CHEAPER TRANSPORTATION COSTS RESULTING IN THE ABILITY TO COMPETE WORLDWIDE. THERE MAY COME A POINT IN TIME WHEN WE HAVE TO COME TO YOU TO ASK FOR YOUR HELP.

ONE LAST AREA OF TRANSPORTATION THAT I FAILED TO MENTIONED IS AVIATION. CURRENTLY OUR COUNTY DOES NOT HAVE A GENERAL AVIATION FACILITY. WE HAVE OVER THE PAST TWO YEARS BEEN CONDUCTING A STUDY AND LOOKING AT POSSIBLE LOCATIONS FOR AN AIRPORT. OUR COMMUNITY LEADERS FEEL THAT WHILE AN AIRPORT MAY IN ITSELF NOT BE A MONEY MAKER, IT WILL, HOWEVER, BE A HUB FOR ECONOMIC DEVELOPMENT. I KNOW CONGRESSMAN KOLTER HAS SUPPORTED OUR COMMUNITY LEADERS IN THIS ENDEAVOR, AND WE ASK FOR HIS CONTINUED SUPPORT.

LASTLY, AN ITEM OF A MUCH BROADER NATURE IN THE SENSE OF ECONOMIC DEVELOPMENT IS TO DISCUSS WORLDWIDE COMPETITIVENESS AND HOW WE AS AMERICANS AND HOW YOU AS THE ECONOMIC DEVELOPMENT

SUBCOMMITTEE FIT IN. YOU AND I BOTH KNOW THE GLOBE WE LIVE IN IS GETTING SMALLER AND SMALLER EVERY DAY. WHAT HAPPENS IN JAPAN AND WHAT HAPPENS IN EUROPE AND THE REST OF THE WORLD, IS GOING TO AFFECT OUR ECONOMY. COMPETITION IS SURROUNDING US, WHETHER IT BE IN THE COAL FIELDS OR THE CLASSROOMS. WE NEED TO PREPARE OURSELVES FOR THE 90'S, AND LEARN TO COMPETE IN A WORLD IN WHICH WE NO LONGER DOMINATE. THERE ARE MANY THINGS WE CAN DO TO IMPROVE OUR COMPETITIVENESS, BUT I WOULD LIKE TO POINT TO THREE ISSUES THAT STICK OUT IN MY MIND AS BEING THE MOST IMPORTANT. TO DO THAT WE HAVE TO DRAW THE RIGHT LESSON FROM WHAT IS HAPPENING AROUND THE WORLD.

ISSUE NUMBER ONE TAKES A QUOTE FROM PROFESSOR MILTON FREEDMAN, A NOBEL PRIZE WINNING ECONOMIST, [BEGINNING QUOTE] "WHAT'S HAPPENING AROUND THE WORLD IS DEMONSTRATED VERY GRAPHICALLY THAT SOCIALISM IS A FAILURE AND CAPITALISM IS A SUCCESS. FOR US TO DRAW THE RIGHT LESSON, WE HAVE TO CUT DOWN THE SIZE OF GOVERNMENT, KEEP GOVERNMENT OUT OF THINGS AND LET THE ECONOMY FLOURISH, BUT I AM VERY MUCH AFRAID THAT THERE IS A STRONG TENDENCY TO DRAW THE WRONG LESSON. TO DRAW THE LESSON THAT WE NEED MORE SOCIALISM IN THE UNITED STATES. EVERY PROBLEM PEOPLE SEEM TO WANT TO SPEND MORE GOVERNMENT MONEY, SEEM TO GET GOVERNMENT INVOLVED MORE, GET GOVERNMENT TO REGULATE MORE. OUR BIGGEST PROBLEM WILL BE TO RESTRAIN THOSE IMPULSES AND LET THE EFFICIENCY OF THE PRIVATE MARKET SYSTEM WORK NOT ONLY HERE, BUT AROUND THE WORLD" [END QUOTE]. I THINK THAT THAT IS A VERY STRONG STATEMENT, ONE THAT NEEDS TO BE SAID. GOVERNMENT SHOULD DO WHAT IT IS BEST AT AND BUSINESS SHOULD DO LIKEWISE.

THE SECOND ITEM ON DRAWING THE RIGHT LESSON FROM WHAT IS HAPPENING AROUND THE WORLD IS TO LOOK AT THE SAVINGS RATE IN THE UNITED STATES. FOR THE LAST TEN OR FIFTEEN YEARS WE HAVE NOT HAD ENOUGH INVESTMENT IN THIS COUNTRY. WE ARE DRAINING OURSELVES OF CAPITAL AND CAPITAL IMPROVEMENTS THAT MAKE OURSELVES COMPETITIVE IN THE WORLDWIDE MARKET. THE INVESTMENT RATE RELATED TO THE GNP IN THIS COUNTRY IS HALF OF THAT TO JAPAN. IN OTHER WORDS, JAPAN INVESTS APPROXIMATELY 24 PERCENT OF ITS GNP IN CAPITAL INVESTMENT AND TECHNOLOGY, WHILE WE INVEST 12 PERCENT.

MY LAST ITEM COULD BE MORE SERIOUS THAN ALL OTHER CHALLENGES FACING US. QUOTING LEE IACCOCCA FROM A SPEECH HE GAVE TO THE NATIONAL ASSOCIATION OF MANUFACTURERS IN MARCH OF LAST YEAR. [BEGINNING QUOTE] ". . . OUR BIGGEST PROBLEM OF ALL AND THIS ONE CAN'T BE SOLVED OVERNIGHT IS GOING TO TAKE A LONG TIME, BUT . . . WITHOUT SOLVING IT FORGET EVER BEING ABLE TO COMPETE. . . WHAT I AM REFERRING TO IS THE . . . JOB THAT WE ARE DOING IN THIS COUNTRY IN EDUCATION . . . SURE WE HAVE SOME GREAT SCHOOLS AND PLENTY OF DEDICATED TEACHERS. MANY OF OUR HIGH SCHOOL GRADUATES ARE AS WELL PREPARED AS YOU WILL FIND ANYWHERE, BUT WHEN YOU TALK ABOUT COMPETING AS A NATION, YOU COMPETE ON THE BASIS OF YOUR AVERAGES. HOW DOES THE AVERAGE U.S. STUDENT STACK UP. THAT'S WHAT DETERMINES HOW COMPETITIVE WE WILL BE. WELL, OURS ARE NOW DEAD LAST AMONG THE INDUSTRIALIZED COUNTRIES IN MATH AND SCIENCE. IS THERE ANY DOUBT THAT WE WILL FALL FLAT ON OUR FACES TRYING TO COMPETE IN A HIGH TECH WORLD WHERE WE ARE TURNING OUT STUDENTS WHO ARE DEAD LAST IN MATH AND SCIENCE? . . . I BET YOU DIDN'T KNOW THIS --- YOU AND I AND ALL THE REST OF THE AMERICAN INDUSTRY

ARE SPENDING MORE MONEY IN TEACHING REMEDIAL MATH TO OUR EMPLOYEES THAN ALL THE GRADE SCHOOLS, HIGH SCHOOLS, AND COLLEGES IN THIS COUNTRY SPEND ON MATH EDUCATION COMBINED". [END QUOTE]

ONCE AGAIN THANK YOU DISTINGUISHED REPRESENTATIVES FOR THE OPPORTUNITY TO SPEAK BEFORE YOU.

STATEMENT OF
JOEL M. MCKEAN

BEFORE
THE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT
OF THE
HOUSE PUBLIC WORKS AND TRANSPORTATION
COMMITTEE

Good morning, Mr. Chairman, members of the House Subcommittee on Economic Development, and honored guests. As President of the Pennsylvania Coal Association, I appreciate the opportunity to address this distinguished subcommittee on behalf of our members, who produce 76% of the bituminous coal mined in Pennsylvania.

The Pennsylvania coal industry has long been the backbone of economic development in western Pennsylvania. However, times change, and for coal, times have changed for the worse.

According to figures compiled by DER, the Pennsylvania bituminous coal industry produced 67.5 million tons in 1988, a 24% decline in the past decade.

In terms of employment -- 15,175 people were employed in the coal fields in 1988, making it the worst employment year in the Commonwealth's history! In 1979, coal employment exceeded 37,000 employees.

What is most disturbing about these figures is that they are not a reflection of either national or regional trends. While

Pennsylvania coal production dropped by 24% in the past decade, national production has increased by 23%. Indeed, 1980 marked the first time that Pennsylvania finished lower than third in production among coal producing states. Today we rank a distant fourth, more that 75 million tons behind third-ranked West Virginia.

While other states in our region like Kentucky and West Virginia -- states with which we compete; states with similar markets and similar coals -- have seen production increase over the past decade, Pennsylvania has seen the opposite trend.

A number of factors have contributed to the decline of Pennsylvania coal.

About two-thirds of Pennsylvania's coal production is consumed by electric utilities. Reasonably priced electricity over the past decade has meant economic growth and an improvement in the competitiveness of U.S. manufactured goods, both at home and abroad. Accomplishments like an increase of over 26 percent in our GNP in nine years and a tripling in the value of our merchandise exports in six years mean jobs and a rise in the standard of living. The records of the past will not be carried into the future without reasonably priced energy and readily available electricity.

The estimated demands for electricity as we prepare to turn the corner into the next century cannot be met with current and planned generating capacity. Yet there have been no new coal-fired plants built in Pennsylvania since 1981. A report by the National Electric Reliability Council indicates that if current trends in demand continue, "..supply deficiencies are likely by the early 1990's in the eastern half of the United States and Canada." Unnecessarily restrictive amendments, such as now before the Senate, to the Clean Air Act could exacerbate these shortages and make it much more difficult and costly to meet energy and electricity needs in the future.

Another factor contributing to the problems for Pennsylvania coal is the impact of the economic decline in the steel industry. Although this decline has been well documented, little, if any, attention has been paid to the historically strong link between the Pennsylvania coal and steel industries and the corollary impact which steel's hard times have inflicted upon coal.

In 1957, 37.5 million tons of Pennsylvania metallurgical coal went into the steel-making process. As recently as 1970 we produced nearly 30 million tons of metallurgical coal. By 1988, however, met coal production had plummeted to 7.7 million tons in Pennsylvania!

Perhaps the most important factors hampering our industry's ability to compete in the coal marketplace are the policies, practices and attitudes of our chief state regulator - the Department of Environmental Resources.

Although this is not within the purview of this committee, a few facts are worth noting, since they contribute in a significant way to the picture of industry you see in Pennsylvania. As one of the most heavily regulated industries, the Pennsylvania coal industry has witnessed first-hand the impact of DER on our operating costs, our employment, our production and our markets.

The Department routinely goes further than necessary in the implementation of federal statutes or ignores the intent of state legislation, resorting to its own expansive interpretation of the law to impose its policies on our industry. Consequently, Pennsylvania's coal mine permitting process is more complicated, more time-consuming and more costly than that of neighboring states. In addition, Pennsylvania has the highest bonding rates and most extensive bonding requirements of competing coal states. These are just two of the dubious distinctions which befall those who choose to operate a coal mine in Pennsylvania. As a result, our operating costs are higher and our profits are lower than similar operations in neighboring states.

I am not suggesting that the duly-enacted laws under which we must operate are improper or otherwise without merit; nor are we trying to rid ourselves of regulations. On the contrary, we recognize our legal and social responsibility to extract coal safely and in an environmentally sound manner. However, we all too often find much to be desired in the interpretation, application and enforcement of these laws by self-styled guardians of the environment.

This committee has a tough but extremely important task of looking at the equation which must be balanced between economic development and competing, but no less important, considerations such as environmental quality. Coal, historically, has been a cyclical industry; changing, adapting, shrinking and growing to meet the demands of the times. The importance of coal, even in the worst of times, and its potential must not be overlooked. In 1980, the industry generated some $1.9 billion in sales in Pennsylvania. And the 15,000 mining jobs meant work for three times that number of people in related industries. Further, this great Commonwealth contains approximately ten percent of the nation's coal reserves, a vital element in the bridge to our energy strategy for the next century and beyond. The coal industry of Pennsylvania is committed to mining coal safely and burning it in environmentally sound ways. We are proud of our progress and anticipate the potential of the future. All we ask is the opportunity to contribute to the economy of our state and the security of our nation.

Thank you for the opportunity of addressing this distinguished committee.

STATEMENT OF
GEORGE DRAGONIR

CHAIRMAN OF THE INDIANA COUNTY
ECONOMIC DEVELOPMENT COMMISSION

AND

DIRECTOR OF PURCHASING FOR THE ROCHESTER AND
PITTSBURGH COAL COMPANY

BEFORE THE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT
OF THE
HOUSE PUBLIC WORKS AND TRANSPORTATION
COMMITTEE

February 23, 1990

Welcome to Indiana County, Chairman, and members of the Subcommittee on Economic Development of the Committee of Public Works and Transportation.

My name is George Dragonir, Chairman of the Indiana County Economic Development Commission, and Director of Purchasing for the Rochester and Pittsburgh Coal Company --Indiana County's largest employer with 2,500 payroll workers.

To better understand the magnitude of the coal crisis, I offer a brief review of mining in Indiana County. Indiana County and R & P were number one in the Commonwealth of Pennsylvania just a few years ago in the production of bituminous coal. Today, latest figures reveal that we both rank second in the State. Indiana County produced 9.1 million tons or 13.5% of the State's coal production. All of the local coal is used in the production of electricity at the three local generating stations that provide power to the majority of the eastern seaboard. Currently, almost 3,000 people are employed as miners in Indiana County or close to one-fifth of the State's total coal employment. These figures have shrunk drastically with massive widespread permanent layoffs occurring which peaked during the spring and summer of 1988 when the Rochester and Pittsburgh Coal Company was forced to relieve 1,200 miners of their jobs.

The depressed conditions for the local coal market not only affected R & P, but forced over a dozen other independent producers in the County to close their doors permanently.

With what has happened to the local coal economy, there is naturally a ripple effect. The damage that has occurred and is still occurring is difficult to measure in some cases. For instance, the number of support businesses -- many of them small operations -- were forced to close their doors forever. The exact number is not known and may never be known. Those that were diversified or were able to make adjustments have survived. The others have packed up and left town, employers and employees alike. The 1988 major R & P job reduction has had the following significant impact on Indiana County; a $33 million annual reduction in payroll. For governing bodies, it has meant an annual loss of over $700,000 in State taxes, $330,000 in local taxes, and close to $190,000 in local occupational assessments. Part of our current economic woes stem back to the early 1970's when the nation was pinched by middle east oil cartels. The federal government recognizing our over reliance on foreign oil, and striving for energy independence, ordered coal producers at home into high gear. The coal industry responded, by opening new mines at an enormous rate. Then the energy alarm ended, but the coal companies were left with many mines and no promised markets.

Today, we are again dependent on foreign oil for over 50% of our requirements. It's time a national energy policy was developed. Another shortage or price runup would produce devastating effects on our economy again. What do we need to do in order to prevent history from repeating itself? We need an energy policy that uses coal in place of imported oil. This would provide jobs as well as energy independence.

Certain legislatives issues could have an negative impact on the coal industry -- not just on our community and our people, but to the nation as a whole.

Acid rain and clean air legislation is necessary. We all want clear air and clean streams. But without the proper cost-effective technology in place to meet whatever guidelines that are established, we would again be shooting ourselves in the foot.

I urge you to use prudence when it comes time to adapt whatever laws and regulations are drafted. Premature or over reactive measures again would be catastrophic to the lives of many.

Most recently, the Economic Development Agency and the Appalachian Region Commission granted $1,250,000 as a result of acceptance of our Title IX application and proposal for economic revitalization in this area. As Chairman of a County-wide commission on economic development, I thank you for your support.

The future of Indiana County is in diversification. In order to accomplish this, we must begin to rebuild and expand our infrastructure to accommodate the expansion of local industries and newly acquired businesses. At the present time, the necessary ingredients, such as adequate severage and transportation, are virtually nonexistent for a majority of the

County. We are addressing these issues; however, we need financial assistance to tackle these expensive public projects.

We are looking forward to working with you and other related agencies of the federal government as we begin together to address the adoption of a national energy policy, responsible environmental legislation, and the groundwork for the diversification of Indiana County's economy.

On behalf of the Rochester and Pittsburgh Coal Company, and the Indiana County Economic Development Commission, I thank you for the opportunity to address this distinguished panel today.

Mr. SAVAGE. Our next witness will be Dr. William Joseph McFarland, President of Geneva College, Geneva Falls, Pennsylvania, a place of which my dear colleague has fond memories, I understand. You facilitated his preparation by joining us in Washington, and if that is an indication of your academic standards, let me say that you have reason to be proud.

Dr. McFarland. But first, Mr. Kolter.

Mr. KOLTER. Well, Mr. Chairman, you have to understand, I am a graduate of Geneva, but at that time, he was probably still in grade school.

Dr. MCFARLAND. Thank you.

Mr. SAVAGE. Dr. McFarland.

STATEMENT OF DR. WILLIAM JOSEPH McFARLAND, PRESIDENT, GENEVA COLLEGE, BEAVER FALLS, PA

Dr. MCFARLAND. Mr. Chairman and Members of the committee, Congressman Kolter, I am Joe McFarland, President of Geneva College, a private, church-related college of approximately 1300 students located, as you have indicated, in Beaver Falls, Beaver County, Pennsylvania. That is the home of Joe Namath and Geneva College, although not necessarily in that order, from our point of view.

We are pleased to count among our distinguished alumni Congressman Kolter, and are pleased to have him representing the position which he holds in Congress at the present time.

I assume that part of the reason that I have been invited to testify before you this morning is because of the rather unique location of Geneva College in the heart of the industrial valley in Beaver County, Pennsylvania, and some of the associated difficult economic conditions that have existed there over the past decade.

Geneva, in reflecting its environment, has offered programs in engineering and in business for over 50 years, beginning with two-year technology programs in engineering in the 1920s because the steel technology needed that type of educational service. We switched then later to four-year programs in the 1940s.

I have shown for you on the accompanying narrative, a chart at the bottom of the page which indicates some of the severe economic unemployment hardships that have faced Beaver County. According to Governor Casey, unemployment in Beaver County at one point during the 1980s reached as high as 29 percent. So, we have been facing circumstances that certainly have forced changes in the lifestyle of the people that have been located in that county, and probably have increased the importance in the eyes of those people of education as a means of resolving the dilemma that they have faced.

So, I am here this morning to say something that we probably would all agree with and already know; and that is, under the circumstances, education has always and always will, I think, play a very important part in the activity of people who must be prepared to handle change.

If I can digress a moment to share with you a conversation that I had some years ago when I was arriving in New York City for a meeting. I was taking a taxi to my hotel, and the taxi driver happened to be one of those very talkative types of individuals who wanted to know where I was from and what I did, and I explained to him that I was in another position associated with an educational system at that time. And he understood that I was generally affiliated with education, although I do not think he understood exactly what I was doing. I think I understood what it was he was trying to say, but I have never forgotten the way in which he put it. After we talked a little bit about education and what I was doing, he said, "You know, I've always encouraged my youngsters to get all of the education that they can because," he said, "I've discovered over my lifetime, that if you don't have an education, you sure have to use your head to make a living." [Laughter.]

I think I know what he was saying; I think it is another way of saying what folks have discovered in Beaver County in recent years: There is, in fact, somewhat of an inverse relationship between plentiful economic conditions and employment, and persons interested in education. About six years ago, the Pennsylvania Association of Colleges and Universities in conjunction with some other State agencies, conducted a study of the percentage of high school graduates going on to college here in the State of Pennsylvania. I think all of us here in Pennsylvania were shocked to discover that Pennsylvania ranked third from the bottom in percentage of high school graduates going on to college at that time. Despite the many colleges that we have here in Pennsylvania, the college-going percentage was that low. A report from the State Department of Education just a few weeks ago, looked the change in that percentage, which I think is inversely related, again, to some of the economic opportunities that are no longer available.

It can be seen that we have increased the percentage dramatically in just about a five-year period of time. We have moved from about 48 percent of our high school graduates going on to college six years ago, when the first study was taken. (And that was a percentage that held fairly constant for about 20 or 30 years prior to that time.) We have increased from 48 percent to 58 percent today, which is a 10 percent increase in just a little over five years. I think that trend has no doubt slowed the impact of declining numbers of high school graduates, which our national demographics are reporting to be the case.

It does, however, create somewhat of a dichotomy or dilemma for private colleges, with which I am currently affiliated, as opposed to State tax-supported institutions because, though people recognize the need to get additional education, when economic times are difficult, they tend to look to the place where they can do it most economically, and that generally is a tax-supported institution. Although I would contend that the cost of education is no greater at a private college than it is at a tax-supported institution, the cost to the individual—the tuition amount—is significantly different because of the State assistance that comes to the public-supported college. As opposed to the private college, which must depend on tuition for about 70 percent of its income.

So, my point is that though it (poor economic opportunities) stimulates people to further their education, it sometimes also narrows the choice of opportunities available to those people.

During those situations, we have seen a number of displaced workers that have moved into small businesses, forced into them, jumped into them, really unprepared and with very little background.

I have talked generally about some of the indirect impacts of education as it relates to employment. But I want to talk a little bit about an example with which I am most familiar, and that is a center for technology that we have been able to establish at Geneva College which in–this case has been formally founded by what we in the State of Pennsylvania call Ben Franklin Technology funds. They are funds, I think, from a Federal source, as I understand it, that are channeled through the State of Pennsylvania to institutions on a competitive grant proposal basis, in order to provide economic advances and economic assistance to small businesses.

The center on our campus is designed to provide a mechanism whereby the engineering and other technical resources at the college are made available to small companies who do not have the personnel or resources to investigate promising new ideas and technology. Our center currently networks with established local economic development programs, such as the Beaver Valley Technology Center and the Southwestern Pennsylvanian Industrial Center, to identify and work with companies needing specialized project support.

We currently are working directly with 14 organizations and companies, and really have exhausted our ability to support them at the present time. The one that has the most direct tie, probably, to the Federal Government is the U.S. Bureau of Mines. Our engineering department, in cooperation with the U.S. Bureau of Mines, developed most of the hardware, the mechanism and the electronics for the rock dust meter, which is designed to measure the amount of dust that has accumulated in the mine in order to determine whether or not it is safe to continue mining before some corrective action is taken.

I would refer you to the appendix on the material you have in your hands for other examples of some of those kinds of projects, rather than take time to cite individual projects. I will refer you to the appendix of some of my comments for additional information.

At the present time, we are also in the process of expanding our work in this regard by establishing a Government contracting assistance center. As you are probably aware, this is a center that is designed to help local industries through some of the maze and the red tape that goes with Government contracting: To better understand some of the forms, to better understand some of the opportunities, to become aware of some of the kinds of things that the Government wishes to contract with companies for. We cannot do it with tuition dollars; we do have several foundations that are committed to help us initiate this project. We currently have a proposal before the Defense Logistics Agency for funding that would allow us to initiate this proposal.

I have spoken about the general need for economic development assistance in this area of the country, which I think is nationally recognized as economically depressed. I have cited an example of how I believe colleges and universities can be instrumental in responding to these individual economic needs. I think western Pennsylvania faces a point at which it is at risk of losing some of its best technically-trained personnel if we cannot find the opportunities available in our area to employ them.

And I think we have seen evidence of that, certainly, in Beaver County and the surrounding counties, in looking at what has happened to the size of the high schools. High migration has already taken effect. We have some high schools in Beaver County which have now closed and merged with other high schools because of declining enrollment. We have a number of others who are now graduating less than half of the numbers that we did 10 years ago. And that technological expertise that is represented within our population is something that, once lost from an area, is very difficult to get back, recover and regain.

In conclusion, I feel economic development of this area of the country is at a pivotal point, one which needs financial resources to stimulate and speed its recovery, and one which is unquestionably dependent on its educational institutions, both for short- and long-term adaptation to the changes being faced by labor and industry.

If I can respond to questions; I would be glad to do so.

Mr. **Savage**. Let me thank you, Dr. McFarland. I have no questions. Mr. Kolter.

Mr. **Kolter**. Mr. Chairman, I want to thank Dr. McFarland for coming here from Beaver Falls to give us his expertise on this problem. You know, Dr. McFarland, you have been out to Washington on a number of occasions meeting with other presidents of colleges to ask for funding for education. As I stated before, the easiest vote I have to justify is the funding for education.

As I travel around my district—Beaver County, Butler County, Indiana County—I run into unemployed people, miners from Indiana County, steelworkers back home. It seems that they would love to continue their education, but our retraining monies are just not there. Can you think of anything in your mind, sir, that might enable an unemployed miner or an unemployed steelworker to receive that type of education that might make him a tax-paying citizen? Is there anything that you see that we can do, we as Members of Congress?

Dr. **McFarland**. Well, I know we are doing a number of things, and I do not know that I have anything brand new to suggest other than to continue what we are doing in an increased amount. I know there are specific kinds of programs that allow individuals to gain certain kinds of technological training. I would like to see that made more general, where we recognize that an investment—and I think that is a proper term—in education will improve the quality of life though we cannot always tie original sins to the misery that goes along with this world, nevertheless, I think there is a relationship between the two.

Neither can you always tie the investment in education back to a specific job opportunity.

I think the best reflection of what has to be one of our country's best investments in education was the GI Bill following World War II. The amount of income, the opportunities, the employment, the contribution that generation made in the form of increased returns of income tax—I really think that was simply an investment that came back to the country, probably two- and three-fold, in the form of increased earnings and increased economic stimulation. That is a pattern I would like to see us emulate for some of the people who are now out of work.

Mr. **Kolter**. Thank you, Dr. McFarland.

Mr. **Savage**. Dr. McFarland, let me give my commendation to your recognition of the responsibility of our institutions of higher learning to the economic needs of our nation, and specifically, your program on technology and small businesses.

Dr. **McFarland**. Thank you.

[The prepared statement of Dr. McFarland follows:]

TESTIMONY OF DR. WM. JOSEPH McFARLAND
PRESIDENT OF GENEVA COLLEGE
BEFORE THE HOUSE OF REPRESENTATIVES
SUB-COMMITTEE ON ECONOMIC DEVELOPMENT
FEBRUARY 23, 1990
INDIANA, PENNSYLVANIA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM DR. JOE McFARLAND, PRESIDENT OF GENEVA COLLEGE, A 142 YEAR OLD, PRIVATE, CHURCH RELATED COLLEGE OF APPROXIMATELY 1,260 STUDENTS IN BEAVER FALLS (BEAVER COUNTY) PENNSYLVANIA. THE COLLEGE IS AFFILIATED WITH THE REFORMED PRESBYTERIAN CHURCH AND OFFERS CHRISTIAN HIGHER EDUCATION IN OVER 40 MAJORS. THOUGH THE COLLEGE WOULD BE DESCRIBED AS A LIBERAL ARTS INSTITUTION, BECAUSE OF ITS UNIQUE LOCATION IN THE HEART OF INDUSTRIAL BEAVER VALLEY, IT HAS OFFERED MAJORS IN BUSINESS AND ENGINEERING FOR THE PAST 50 YEARS--BEGINNING WITH TWO-YEAR TECHNOLOGY PROGRAMS IN THE 1920'S, AND EXPANDING TO FOUR-YEAR ENGINEERING PROGRAMS IN THE 1940'S.

I EXPECT MANY OF YOU ARE ALREADY FAMILIAR WITH THE SEVERE ECONOMIC CONDITIONS THAT HAVE FACED BEAVER COUNTY DURING THE PAST DECADE. GENEVA COLLEGE HAS BEEN LOCATED IN THE MIDST OF AN ECONOMIC ENVIRONMENT WHICH, ACCORDING TO GOVERNOR CASEY, HAS SEEN UNEMPLOYMENT IN BEAVER COUNTY REACH AS HIGH AS 29% AT ONE POINT IN THE 1980'S. THE UNEMPLOYMENT CHART SHOWN BELOW GIVES YOU SOME IDEA OF THE SIGNIFICANT UNEMPLOYMENT PROBLEMS WHICH HAVE FACED THOSE OF US IN BEAVER COUNTY IN RECENT YEARS.

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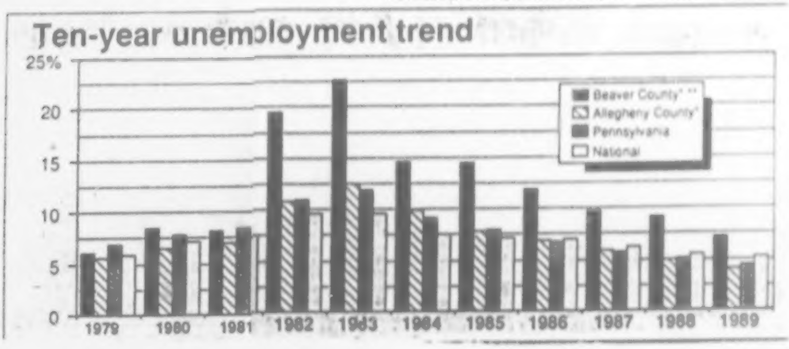

IT WAS COMMON AT ONE TIME IN THE COUNTY AND SURROUNDING AREAS TO SEE A SON JOIN HIS FATHER IN THE FACTORY AS SOON AS THE YOUTH BECAME OLD ENOUGH TO GO TO WORK. HOWEVER, THE LEGACY OF MILLS PROVIDING WORK FOR ENTIRE FAMILIES AND WHOLE COMMUNITIES DISAPPEARED IN THE 1980'S WHEN THE STEEL INDUSTRY AND OTHER MANUFACTURING BASED INDUSTRIES COLLAPSED, THROWING THOUSANDS OF PEOPLE OUT OF WORK AND PUTTING THEM IN SEARCH OF NEW CAREERS. THIS ABRUPT TRANSITION HAS FORCED MAJOR CHANGES IN LIFE STYLE AND EMPLOYMENT OPPORTUNITIES AS THE NUMBER OF SERVICE BASED JOBS HAS INCREASED WHILE THE MANUFACTURING AND INDUSTRIAL RELATED OPPORTUNITIES HAVE ALL BUT DISAPPEARED. THOUGH MORE PLENTIFUL, MOST OF THE SERVICE BASED JOBS DO NOT PAY AS WELL AS FACTORY WORK, OFFER FEWER BENEFITS, AND REQUIRE SPECIAL TRAINING. THE DAYS OF THE $20 AN HOUR STEEL WORKER WHO GOT EIGHT WEEKS VACATION A YEAR AND GENEROUS HEALTH CARE PACKAGES ARE OVER. THIS HAS FORCED CHANGES ON MANY PEOPLE FOR WHICH THEY WERE UNPREPARED AND WERE NOT SEEKING. UNDER THESE CIRCUMSTANCES, EDUCATION HAS ALWAYS BEEN AND WILL ALWAYS BE THE MOST IMPORTANT ACTIVITY IN THE LIVES OF PEOPLE WHO MUST BE PREPARED TO HANDLE CHANGE.

ONE OF THE DIMENSIONS OF ECONOMIC HARDSHIP WHICH IS SOMETIMES NOT READILY APPARENT IS THE INVERSE RELATIONSHIP BETWEEN ECONOMIC PROSPERITY AND EDUCATIONAL INCENTIVE. SIX YEARS AGO THE PENNSYLVANIA ASSOCIATION OF COLLEGES AND UNIVERSITIES, IN CONJUNCTION WITH OTHER STATE AGENCIES, CONDUCTED A STUDY OF THE NUMBER OF HIGH SCHOOL GRADUATES IN THE STATE OF PENNSYLVANIA GOING ON TO COLLEGE. THE STATE WAS SHOCKED TO DISCOVER THAT IN SPITE OF THE MANY COLLEGES AND UNIVERSITIES LOCATED IN PENNSYLVANIA, PENNSYLVANIA RANKED THIRD FROM THE BOTTOM OF THE 50 STATES IN THE PERCENTAGE OF ITS YOUNG PEOPLE GOING ON TO COLLEGE.

IN ANALYZING THE REASONS FOR THAT PATTERN, IT WAS CONCLUDED THAT COLLEGE ASPIRATIONS WERE NOT HIGH ON THE LIST OF MANY OF THE YOUTH OF THE STATE WHEN EMPLOYMENT OPPORTUNITIES RIGHT OUT OF HIGH SCHOOL BECKONED. SEEKING A COLLEGE EDUCATION AND POSTPONING THE OPPORTUNITY FOR A GOOD PAYING JOB, WITH JOB SECURITY, IN ONE'S IMMEDIATE NEIGHBORHOOD WHERE ONE COULD IMMEDIATELY SEE PROSPECTS FOR MARRIAGE, A HOUSE AND A CAR WHEN FOUR YEARS OF COLLEGE OFFERED WAGES THAT WOULD PERHAPS NOT EVEN BE AS GREAT, CARRIED LITTLE ATTRACTION.

WITH THE CHANGE IN ECONOMIC OPPORTUNITIES AVAILABLE TO STUDENTS JUST OUT OF HIGH SCHOOL, WE ARE SEEING INCREASED PERCENTAGES OF HIGH SCHOOL STUDENTS PURSUING A COLLEGE DEGREE. FIGURES RELEASED FROM THE PENNSYLVANIA STATE DEPARTMENT OF EDUCATION JUST THIS YEAR REVEAL THAT THE NUMBER OF STUDENTS GOING ON TO COLLEGE HAS INCREASED FROM A FIGURE OF APPROXIMATELY 48%, A FAIRLY CONSISTENT PERCENTAGE FOR ALMOST 20 YEARS, TO THIS YEAR'S FIGURE OF 58%--A DRAMATIC 10% INCREASE IN A LITTLE OVER FIVE YEARS.

THIS TREND HAS NO DOUBT SLOWED THE IMPACT OF DECLINING NUMBERS OF HIGH SCHOOL GRADUATES ATTENDING COLLEGE. ONE OF THE DIFFICULTIES WHICH ACCRUE TO PRIVATE INSTITUTIONS UNDER THESE CIRCUMSTANCES, HOWEVER, IS THAT MORE AND MORE STUDENTS TEND TO LOOK TO PUBLIC OR TAX ASSISTED INSTITUTIONS AS A MEANS OF FURTHERING THEIR EDUCATION DURING TIMES OF ECONOMIC HARDSHIP BECAUSE OF THE SIGNIFICANT DIFFERENCE IN THE TUITION RATES BETWEEN PRIVATE AND PUBLIC INSTITUTIONS. THOUGH THE COST OF AN EDUCATION IS NO GREATER AT A PRIVATE COLLEGE SUCH AS GENEVA, THE COST TO THE STUDENT IS SIGNIFICANTLY GREATER BECAUSE TUITION MUST BEAR APPROXIMATELY 75% OF THE OPERATING COSTS IN CONTRAST TO APPROXIMATELY 30% AT A STATE ASSISTED INSTITUTION. SO, WHILE ECONOMIC HARDSHIPS OFTEN

STIMULATE PEOPLE TO FURTHER THEIR EDUCATION AS A MEANS OF BETTER PREPARING THEMSELVES FOR CHANGE, IT FREQUENTLY NARROWS THE CHOICE OF COLLEGES AVAILABLE TO STUDENTS.

BOTH PRIVATE AND PUBLIC COLLEGES AND UNIVERSITIES HAVE MUCH TO CONTRIBUTE IN THE WAY OF ECONOMIC IMPACT IN THE COMMUNITIES IN WHICH THEY ARE LOCATED. BEAVER COUNTY, ONCE A VIBRANT ECONOMIC AREA, BEGAN A DECLINE IN BUSINESS PROSPERITY AND EMPLOYMENT DURING THE 1970'S WHICH BECAME THE DOMINANT FACT OF LIFE DURING THE PAST DECADE. WHEN THE STEEL MILLS LAID OFF THOUSANDS, MANY DISPLACED WORKERS JUMPED INTO SMALL BUSINESS WITH THEIR EYES CLOSED. MANY OF THOSE BUSINESSES WERE DOOMED FROM THE START BECAUSE THEY DID NOT HAVE ANY KIND OF BACKGROUND, MARKET AWARENESS, OR HELP FROM ANYBODY AND NO READY RESOURCE TO PROVIDE THE NEEDED SERVICES. A PRACTICAL EXAMPLE OF THE WAY IN WHICH RESOURCES DESIGNATED FOR ECONOMIC DEVELOPMENT PLACED IN THE HANDS OF INSTITUTIONS OF HIGHER EDUCATION CAN RESULT IN DIRECT SUPPORT TO PRIVATE INDUSTRY CAN BE SEEN IN MINIATURE THROUGH THE STATE'S ECONOMIC INCENTIVE PROGRAM REFERRED TO AS THE BEN FRANKLIN PARTNERSHIP PROGRAM.

I CITE THE FOLLOWING EXAMPLE WITH WHICH I AM MOST FAMILIAR. OVER THE LAST THREE YEARS, GENEVA COLLEGE HAS BEEN FUNDED BY A GRANT FROM THE BEN FRANKLIN PARTNERSHIP PROGRAM TO ESTABLISH A CENTER FOR TECHNOLOGY DEVELOPMENT. THIS CENTER IS DESIGNED TO PROVIDE A MECHANISM WHEREBY THE ENGINEERING AND OTHER TECHNICAL RESOURCES AT THE COLLEGE ARE MADE AVAILABLE TO SMALL COMPANIES WHO DON'T HAVE THE PERSONNEL OR RESOURCES TO INVESTIGATE PROMISING NEW IDEAS IN TECHNOLOGY RELATED AREAS. THE CENTER HAS DEVELOPED OUT OF THREE YEARS EXPERIENCE

IN WHICH GENEVA COLLEGE HAS DEVELOPED A STATE-OF-THE-ART COMPUTER ASSISTED DESIGN AND ENGINEERING (CAD/CAE) LABORATORY AND USED THESE RESOURCES TO SUPPORT RESEARCH AND DEVELOPMENT WORK AT MULTIPLE LOCAL COMPANIES.

THE CENTER CURRENTLY NETWORKS WITH OTHER ESTABLISHED LOCAL ECONOMIC DEVELOPMENT PROGRAMS (BEAVER VALLEY TECHNOLOGY CENTER AND THE SOUTHWESTERN PENNSYLVANIA INDUSTRIAL RESOURCE CENTER) TO IDENTIFY AND WORK WITH COMPANIES NEEDING SPECIALIZED PROJECT SUPPORT. REPRESENTATIVES FROM LOCAL COMPANIES WORK WITH GENEVA FACULTY AND STUDENTS TO CARRY OUT RESEARCH AND TESTING PROJECTS. THE CENTER ALSO PROVIDES SERVICE IN THE AREA OF PERSONNEL TRAINING IN CAD/CAE, EXPOSURE TO A VARIETY OF HARDWARE AND SOFTWARE RESOURCES TO SUPPORT DECISIONS FOR FUTURE PURCHASE, AND TECHNICAL ADVICE ON THE FEASIBILITY OF PROPOSED R & D PROJECTS. SUCCESSFUL INTERACTIONS SHOULD RESULT IN THE DEVELOPMENT OF NEW PRODUCTS AND PROCESSES WHICH WILL PROMOTE GROWTH OF NEW INDUSTRY AND JOBS.

AT PRESENT, THE DEMANDS FOR SUPPORT EXCEED THE COLLEGE'S ABILITY TO RESPOND. FOURTEEN ORGANIZATIONS AND COMPANIES HAVE BEEN INVOLVED IN CENTER PROJECTS UP TO THE PRESENT. THESE INCLUDE THE BEAVER VALLEY TECHNOLOGY CENTER BUSINESS/TECHNOLOGY DEVELOPMENT NETWORK (AS PART OF A TEAM WORKING UNDER A BEN FRANKLIN ENTREPRENEURIAL DEVELOPMENT GRANT), BERNER AIR PRODUCTS, INC., BRIGHTON AUTOMATION, BRIGHTON MACHINE, CUSTOM ATHLETICS, CDI CORPORATION, ECONOMY INDUSTRIAL CORPORATION, McNEIL ENGINEERING & MANUFACTURING, MICROMASTER, INC., RADCO, DON SHUMAKER & ASSOCIATES, SOFTWARE TECHNOLOGY, INC., QUASITRONICS, AND U.S. BUREAU OF MINES.

I CITE THIS CENTER, WHICH WAS RECENTLY DESIGNATED AS ONE OF PENNSYLVANIA'S SIX "CENTERS OF EXCELLENCE," AS A MODEL OF HOW I BELIEVE ECONOMIC DEVELOPMENT CAN BE IMPACTED THROUGH DIRECT SUPPORT OF PROGRAMS AT THE NATION'S COLLEGES AND UNIVERSITIES. FURTHER INFORMATION ABOUT THE NATURE AND SUCCESSES OF THIS PROGRAM IS INCLUDED IN APPENDIX A.

WE ARE CURRENTLY INVOLVED IN AN EFFORT TO EXPAND OUR WORK WITH LOCAL COMPANIES IN ANOTHER DIMENSION BY ESTABLISHING A GOVERNMENT CONTRACTING ASSISTANCE CENTER ON OUR CAMPUS. WE HAVE RECEIVED COMMITMENTS FROM THREE PRIVATE FOUNDATIONS AND THE BEAVER COUNTY CORPORATION FOR ECONOMIC DEVELOPMENT TO ASSIST US WITH THE FUNDING FOR THIS CENTER. WE NOW HAVE A PROPOSAL BEFORE THE DEFENSE LOGISTICS AGENCY FOR FUNDING UNDER THE SOLICITATION FOR COOPERATIVE AGREEMENT PROGRAM WHICH, IF APPROVED, WILL PERMIT US TO BEGIN TO OFFER SERVICES THROUGH THE ASSISTANCE CENTER. WITH GENEVA'S BEN FRANKLIN PROGRAM, A SPIRC OFFICE ON OUR CAMPUS, AND THE BEAVER VALLEY ADVANCED TECHNOLOGY CENTER NEARBY, WE BELIEVE A GOVERNMENT CONTRACTING ASSISTANCE CENTER WOULD SUBSTANTIALLY ADD TO THE ECONOMIC DEVELOPMENT FOR OUR AREA.

I HAVE SPOKEN ABOUT THE GENERAL NEED FOR ECONOMIC DEVELOPMENT ASSISTANCE IN THIS AREA OF THE COUNTRY WHICH IS NATIONALLY RECOGNIZED AS ECONOMICALLY DEPRESSED, AND HAVE CITED AN EXAMPLE OF HOW I BELIEVE COLLEGES AND UNIVERSITIES CAN BE INSTRUMENTAL IN RESPONDING TO THESE ECONOMIC AND INDIVIDUAL NEEDS. I AM ENCOURAGED BY WHAT I BELIEVE ARE SIGNS THAT THE ECONOMY IN THE AREA IS STARTING TO RECOVER. ECONOMIC DEVELOPMENT ASSISTANCE IS, THEREFORE, ALL THE MORE URGENT AND TIMELY. THE RISK OF LOSING PEOPLE WITH TECHNICAL SKILLS TO OTHER PARTS OF THE COUNTRY IS VERY REAL AND HAS ALREADY OCCURRED TO SOME EXTENT.

AS EVIDENCE OF THIS MIGRATION, SOME HIGH SCHOOLS IN BEAVER COUNTY HAVE ALREADY CLOSED DUE TO DECLINING ENROLLMENTS AND OTHERS ARE GRADUATING LESS THAN ONE-HALF OF THE NUMBER THEY DID TEN YEARS AGO.

IN CONCLUSION, THE ECONOMIC DEVELOPMENT OF THIS AREA OF THE COUNTRY IS AT A PIVOTAL POINT, ONE WHICH NEEDS FINANCIAL RESOURCES TO STIMULATE AND SPEED ITS RECOVERY, AND ONE WHICH IS UNQUESTIONABLY DEPENDENT ON ITS EDUCATIONAL INSTITUTIONS FOR BOTH SHORT AND LONG TERM ADAPTATION TO THE CHANGES BEING FACED BY LABOR AND INDUSTRY. A COMMITMENT TO THE ECONOMIC HEALTH OF WESTERN PENNSYLVANIA IS IN MEASURE AN INVESTMENT IN THE ECONOMIC HEALTH OF OUR ENTIRE NATION. IT IS, IN TRUTH, A COMMITMENT TO OUR CHILDREN AND TO FUTURE GENERATIONS.

APPENDIX A

PROPOSAL SUBMITTED TO THE WESTERN PENNSYLVANIA ADVANCED TECHNOLOGY CENTER

April 25, 1989

GENEVA COLLEGE CENTER FOR TECHNOLOGY DEVELOPMENT

Project Director:
Dr. John Pinkerton
Professor of Electrical Engineering
Geneva College
Beaver Falls, PA 15010

PARTICIPATING ORGANIZATIONS:

U.S. Bureau of Mines
Mr. Henry Perlee
Pittsburgh Research Center
Cochrane Mill Road
Pittsburgh, PA 15236

Shumaker & Associates
Mr. Don Shumaker
P. O. Box 110
Somerset, PA 15501

MicroMaster
Mr. Michael Pasterik
1299 Brodhead Road
Monaca, PA 15061

McNeill Engineering & Manufacturing
Mr. Dennis G. McNeill
417 Temple Road
Monaca, PA 15061

CDI Corporation
Mr. Victor Yates
886 Narrows Run Road
Coraopolis, PA 15108

Custom Athletics
Mr. Jay Hrechun
1238 Merchant Street
Ambridge, PA 15003

Economy Industrial Corporation
Mr. Thomas R. Allen, Jr.
338 14th Street
Ambridge, PA 15003

Berner Air Products, Inc.
Ms. Georgia Berner
P. O. Box 5410
New Castle, PA 16105

Quaker Enterprises
Mr. Frederick J. Kellinger
Beaver, PA 15009

RADCO
Mr. D. John Razzano
14101 E. Washington Street
New Castle, PA 16101

John E. Pinkerton   4/24/89
Dr. John Pinkerton   Date
Project Director

James Boelkins   4/24/89
Dr. James Boelkins   Date
Vice President for Academic Affairs
Geneva College

BACKGROUND

Over the last three years, Geneva College has been funded by the Ben Franklin Partnership to develop a CAD/CAE Education Program as part of its engineering program. The goal of this program was to develop a resource which could be used to train student engineers in state-of-the-art CAD/CAE techniques. The students and the lab could then serve to support research and development for companies in the immediate region. This arrangement provided the perfect setting for problem-based learning and R&D, and both parties benefitted. Students became involved with real-life problem solution while learning new CAD/CAE hardware and software applications. Local companies benefitted by having access to resources necessary for pursuing R&D ideas which they couldn't do alone. The following will briefly review some of the significant accomplishments which demonstrate that the initial goals were achieved and have led to this new proposal for a Center of Excellence.

1. Geneva College now has an outstanding facility for providing CAD/CAE support which was developed through Ben Franklin funding and significant College support. The facility contains three SUN Workstations (one model 3/160 and two model 3/60); five additional hard disk drives totalling almost one gigabyte; 3-IBM XT's, one with dual screens and mouse; IBM PS/2 Model 70-386; IBM PS/2 Model 30-286; HP Laserjet II printer; Houston plotter; two proprinters; Tektronix Color Image Printer; and an Amiga microcomputer. Ben Franklin has provided almost $141,000 for this equipment and Geneva College has provided over $64,000.

   The lab offers a wide array of software packages including PCAD, AUTOCAD, IDEAS, ANVIL-5000, ANSYS, PSPICE, 10-68000 Evaluation modules and one TI 32010 Evaluation module. A more detailed description of hardware and software is in the Facilities Section.

2. The education of student engineers has been significantly improved. The following new courses are now offered regularly: Introduction to CAD/CAE, ANSYS, and Finite Element Analysis. Several specialized software packages (e.g., PSPICE) are now incorporated into existing courses. The enhanced student education has greatly promoted progress on design projects and the ability to support more R&D project work.

3. Geneva College has steadily increased its involvement with private sector companies for R&D support. In the first year, this resulted in a successful Ben Franklin R&D proposal with Brighton Automation and Brighton Machine. This project will result in the production of a Stator Winding Workcell which will save and create jobs. In addition to carrying out approximately 15 projects per year for the U.S. Bureau of Mines, the College is now supporting projects with seven other companies. Several more companies have approached the College seeking engineering support.

4. The success of the College working in partnership with local companies led to the location of the Beaver County Office of the Southwestern Pennsylvania Industrial Resource Centers (SPIRC) on the Geneva campus. The proximity of the two programs has created many positive outcomes. The SPIRC staff refers companies to Geneva for R&D support. Companies working on projects with Geneva have accessed SPIRC resources for marketing and business development. We share computer resources. Through SPIRC

contracts, several students have been placed in summer internships with local companies.

5. The College continues to support clients identified through the **Beaver Valley Technology Center** (Randy Fraas). This has been a very productive relationship and we expect it to continue.

6. Although the goal of the program has been education, it has produced **valuable research results**. In the last two years over thirty students have received Research Honors for work on these projects. We expect several of the efforts to result in publications. In one case (Shumaker & Associates), the student engineer directing the project on development of a portable data collector will be hired full-time by that company upon graduation in May. The Pittsburgh Research Institute, a contractor of the Bureau of Mines, hired one of this year's graduates to continue work and coordinate projects started at Geneva.

7. Through interactions with Geneva faculty and students, **Software Technology, Inc.**, a high tech company with offices in Florida and Washington, D.C., is considering opening an office in the Pittsburgh area in order to collaborate with the Geneva Engineering Program.

8. Quasitronics, located in Houston, Pa., is using Geneva College to **beta test a piece of equipment** under development. The equipment will be donated to the program when testing is completed.

9. The success of the College/industry interaction has resulted in several **articles in the newspapers**, recognition by local agencies, and invitations to participate in other technology development programs.

In summary, Geneva College has developed a model for how small colleges can develop the resources to make a meaningful impact on technology development and transfer and ultimately promote economic development. Because the program has been so successful, we are seeking funding under the Center of Excellence category to continue this program. The support will enable us to continue serving existing companies, to initiate projects with new companies, and to enhance our training of engineers who can become an important resource to the local economy.

7. Examples of how the Center will support local companies are briefly described below:

   a. **U.S. Bureau of Mines:** The U.S. Bureau of Mines, located at the Pittsburgh Research Center, conducts mine health and safety research. Our role it to provide electronic design and support services through this program. Projects conducted with Geneva this year related to borehole signature patterns, fire suppression systems, data acquisition systems, dust deposition, dust layer studies, rock dust meter, and data communications. We expect to complete several of the projects and anticipate that at least some of the projects will require another year to complete. Projects will be assigned to students taking our digital hardware lab and the senior electrical engineering design courses, ELE 450 and ELE 490. At least one person is assigned to each project. The Bureau supplies support in the form of special equipment or instrumentation (loaned), supplies and parts, and technical supervision. Help is also provided by software consultants contracted by the Bureau.

   b. **Shumaker & Associates:** Shumaker & Associates are manufacturer's representatives for electronic and mechanical services and equipment. They hold several contracts for monitoring the performance of rotating machinery. Performance measurement are currently made using expensive equipment. The purpose of this project is to design a hand-held device that will perform frequency/vibratory analysis of rotating machinery devices. The scope of the project includes designing hardware and software, and a method for interfacing the device to a PC. The design will utilize state-of-the-art digital signal processing chips to increase the performance. The goal is to produce a device in the $5,000-$6,000 range since existing devices cost $10,000.

   c. **MicroMaster:** MicroMaster Corporation is a vendor of personal computer hardware and software as well as an authorized repair center for a variety of computers and peripherals. They are authorized vendors for the Amiga Computer, manufactured by Commodore Computer Corporation. Over the last three years, the company has been developing a software-based digital logic simulator for the Amiga Computer. The stimulator is directed at the educational market, as well as the home hobbyist. During the last year, students and faculty at Geneva have been beta testing the software. The initial testing has resulted in significant changes in the software which will require continued beta testing. The testing will be done as part of the Digital Systems class.

   d. **Custom Athletics:** Last year, Geneva College and Custom Athletics initiated work on a portable, heated seat cushion. The work has now evolved into the design of a portable heating pad with medical applications. A unit is being designed with the following features: operation by a small rechargeable battery for up to eight hours, physical flexibility to conform to different contours, and physcial expansion by adding heating modules. Temperature will be controlled by a microprocessor with a range of 98 to 113° F. Proposed studies will complete the design and test the system.

e. **CDI Corporation:** The initial stages of this project resulted in the design and modeling of a new type of mechanical bore hole drill ancher using CAD/CAE techniques. This year the model system will be studied in order to analyze the forces required to ream specific materials and also analyze resultant forces on the system. The outcome should result in production of a physical prototype. The device could have a significant market in the building trades and mining industries.

f. **Economy Industrial Corporation:** Economy Industrial manufactures continuous casting equipment for the metals industry. They have acquired an international reputation for the quality and reliability of their products. Each sale requires custom modification of the casting equipment to meet the customer requirements. This year work was done to initiate modeling of the pouring ladle and support cradle using the CAD system. This year, we will continue to develop a program to automatically generate revised mechanical design drawings. This will result in reducing the time to generate a design print, saving considerable drafting and engineering time.

g. **Berner Air Products, Inc.:** Berner Corporation manufactures and markets a combination heat exchanger and air filter for use in home and industrial applications. They are currently purchasing and installing a chemical filter whose efficiency in removing various noxious gases is in question. In this project, we expect to determine the efficiency of the unit for a variety of gases and, if necessary, assist in the redesign of the filter. We have completed some preliminary experiments that suggest the current filter may need to be redesigned.

h. **McNeil Engineering:** McNeill Engineering has developed a new and advanced technology loudspeaker system. They have indicated a need for technical assistance in developing suitable criteria to model, test and optimize the system. We will also assist them in developing appropriate testing and evaluation procedures based on these criteria.

i. **Quaker Enterprises:** Quaker Enterprises is a successful developer of computer learning software, having already developed and copyrighted six well-reviewed learning programs. We will act as consultants for them in the development of an Aerospace Training Program as well as test and evaluate units in both the alpha and beta phase.

j. **RADCO:** Radco Corp., a division of Mityfurnace Industries, sells a product for water treatment. The product appears to reduce scale in water pipes after treatment with their process. They have asked us for help in measuring the effectivess of this treatment. They would also like to model and redesign the present apparatus to increase its efficiency.

In summary, the Technology Development Center will enable companies to pursue initial research and development on promising ideas which could lead to production of new products/processes and ultimately to job retention and creation.

Mr. **Savage**. Thank you again.

[Applause.]

Now, I understand that the next three witnesses have agreed to permit Mr. Petrosky to testify next because he has to leave; and Mr. Kolter and I have no objection. So, I would like to call upon Metro Petrosky, Jr., Washington County Commissioner and Chairman of the Economic Development Projects Committee of the Southwestern Pennsylvania Regional Planning Commission.

If I may just say, Mr. Petrosky, because we are running short on time, to remind you that we have a written copy of your testimony and it will be, in its entirety, included in our official record. If you wish to just summarize your testimony in the matter of a few minutes to allow us enough time to ask questions.

Mr. **Petrosky**. I understand, Congressman.

Mr. **Savage**. Thank you. Mr. Petrosky.

STATEMENT OF METRO PETROSKY, JR., WASHINGTON COUNTY COMMISSIONER; CHAIRMAN, ECONOMIC DEVELOPMENT PROJECTS COMMITTEE OF THE SOUTHWESTERN PENNSYLVANIA REGIONAL PLANNING COMMISSION

Mr. **Petrosky**. I want to first thank Congressman Savage and Congressman Kolter for the opportunity to come before you. As I said back in the audience, I was almost overwhelmed in terms of some of the remarks and comments that I heard in terms of the previous witnesses. And it almost causes in me an overwhelming urge to completely divert from my prepared remarks and just sit here and tell you sir, I am definitely a proponent of EDA, and I am afraid that if the program is not funded again before the coming year, that it is going to put governments—local governments—at an extreme disadvantage in terms of competing and being the focal point for economic development.

If I just might, for a moment, tell you one success story in terms of EDA funding that you may want to take back to Washington with you. Before I get into that, I would just like to preface these remarks by saying that Washington County is just south of Congressman Kolter's district, and many of the problems that Congressman Kolter has in his district, we also experience in Washington County. We are a county of about 217,000 in population, the fourth class in the State of Pennsylvania. Six years ago, our unemployment rate was close to 17 percent.

But, at any rate, we purchased 600 surplus acres of State land from the State of Pennsylvania. We used local money to do that. After the purchase of those 600 acres, we applied for an EDA grant, and with the help of Senator Heinz, we received one million dollars from the Federal Government under the EDA program. We piggybacked those monies to implement a five million dollar bond issue with this one million dollars. That was a local bond issue by the county. We also applied to the State of Pennsylvania, and was fortunate enough to receive another six million dollars.

So, from the EDA monies, we generated over $11 million of governmental monies with which we are going to develop a six-hundred-acre industrial park. I hate to use that term because it is somewhat dated; but let us say, a multipurpose park to include housing and to include research and development industries. We project that we will establish almost 3000 new jobs in Washington County, in this industrial park in initial investment from the private sector of almost $280 million. So, Congressman Kolter, you might take it back to Washington that there are success stories out there in terms of EDA monies and how are they are used, and if you are aggressive enough to seek out those monies and to use them properly.

I would like to also suggest, again diverting from my prepared remarks, that one of the major problems that local governments are facing today is the so-called—I like to term it—the "no-tax mentality." It is killing us. Our infrastructure is eroding. We have no new monies, no new sources to turn to in terms of generating new monies. Congressman Kolter, as you are aware, the development of the Mid Field terminal in Allegheny County is going to have a significant impact on both Beaver County and Washington County. In fact, the latest projections that I have heard are that 10 percent of the jobs are going to spill over into Beaver County, and 7 percent into Washington. The northwestern section of our county is basically a rural county comprised of mining towns that do not have an infrastructure to support the economic development that would be possible in these areas if we had a source of money to deal with in terms of water and sewers. We just do not have it; we do not really have a source to go to; a significant problem.

Also, I think that it is imperative that I make a statement in terms of highways, because we no longer talk in terms of transportation, but we talk in terms of economic development corridors. We need monies to build new transportation systems, new economic development corridors, and there is only one source of those monies, and that is from the Federal Government. For instance, in Washington County, we have two major highway systems, Interstate 79 and State Route 19. In 1987, Washington County had $30 million in new development in that corridor alone; in 1988, over $40 million. And we are projecting another additional $60 million between these two highway corridors.

I think what I am saying to you is: Given the opportunity, given the wherewithal, local government can meet some of the problems in terms of economic development, in terms of generating aggressive enthusiasm to keep our economy strong, but we need the wherewithal, and there is no other place that we can look other than the Federal Government.

And with that, knowing very well that I am in the catbird seat before lunch and I really diverted from my prepared remarks, and for that I may apologize, but I thought those three issues are the greatest issues that I wanted to bring before you today.

Mr. SAVAGE. Let me thank you, Mr. Petrosky. Before I turn to my colleague, Mr. Kolter, let me just ask you. You said that the only place you have to turn to is the Federal Government. You had indicated earlier that you were proud of the fact that you had this local participation, too.

Mr. PETROSKY. Yes.

Mr. SAVAGE. So, you do not mean that is in addition to the local lobby, which has been very impressive, according to your own testimony.

Mr. PETROSKY. Well, I think the local involvement is key because you are making a commitment, Mr. Savage. And I do not think that you can be successful within a respected area unless you have that commitment. And I am not talking only governmental commitment; I am talking about commitment from the private enterprise sector as well. And I think that if you develop the so-called partnership between Government and between private enterprise, the accomplishments, the successes that you can realize, I think, are almost overwhelming.

I might add that because of the aggressiveness that we have shown in our county, we have lowered our unemployment rate to 5 percent, which is the national average. And as I indicated, six years ago, it was 16 percent. And I think because county government, with the support of EDA programs, with the support of State programs—and I could go on to list them—where they make monies available to generate economic interest and economic development in the respective areas. Just give us a chance; I think that we can do the job.

Mr. SAVAGE. Thank you. Mr. Kolter.

Mr. KOLTER. Thank you, Mr. Chairman. Mr. Petrosky, I want to thank you for coming here. Your work as Chairman of the Economic Development Projects Committee on the SPRPC is well-noted, and I thank you for your efforts.

You are right about the problem we have. You know, some time back, Mr. Petrosky, I had a bill passed, an amendment to the Public Works Bill, which would fund, at no cost to the taxpayers, the completion of Route 60, which ends, as you know, in Beaver County, with a fifteen-mile span at the other end in New Castle. And I had that as part of the bill but the President vetoed it because he called it "fat." Now, it is going to be completed as part of the Pennsylvania Turnpike, which will maybe cost about a dollar to ride that fifteen-mile span, and local people will probably not use it. And they are the ones who ought to be using it.

But, you know yourself, with the completion of that highway, it opened up the whole corridor from Pittsburgh to Erie to Youngstown, and the advantage will be industry flourishing there. And when industry flourishes, it means more jobs. It is just a continuation of the fact that we need better infrastructure. And you mentioned in your testimony, Crows Run. I also have in the bill this year an amendment to make it a four-lane highway. Right now, we are waiting from the financial report from Penn DOT to indicate what the total cost would be. Our staff will be placing that figure in that bill. Hopefully, with some luck, we will have that completed this year also.

So, again, I want to thank you for coming here. The information you showed is important. It does show that if skillfully handled, the monies received from the Appalachian Regional Commission, the monies received from the Economic Development Agency, mixed with State monies and local monies, can prove beneficial to the taxpayers of Washington County and the whole western Pennsylvania.

So, thank you very kindly, Mr. Chairman.

Mr. SAVAGE. Thank you.

Mr. PETROSKY. Congressman Savage, thank you.

[Applause.]
[Mr. Petrosky's prepared statement follows:]

Metro Petrosky, Jr.

Testimony Before
U. S. House of Representatives
Subcommittee on Economic Development
February 23, 1990
Indiana, Pennsylvania

Good morning. My name is Metro Petrosky and I am a County Commissioner member of the Southwestern Pennsylvania Regional Planning Commission from Washington County. I also serve as Chairman of SPRPC's Economic Development Projects Committee. I am here today to make this statement on behalf of the Regional Planning Commission.

SPRPC is the designated Metropolitan Planning Organization for the Counties of Allegheny, Armstrong, Beaver, Butler, Washington and Westmoreland. Its Board consists of representatives, both elected officials and private citizens, from those six counties and the City of Pittsburgh as well as representatives of a number of State and Federal agencies.

As the MPO, we have broad responsibilities for transportation, planning and programming. Since its formation in 1962, however, the Planning Commission has engaged in many other planning activities and projects which were deemed necessary for promoting orderly growth and economic development.

SPRPC has not been the recipient of funding from the Economic Development Administration. But many of its activities and goals have paralleled those of EDA down through the years. During the nearly 28 years that SPRPC has been in existence, significant restructuring of the economy has taken place and as changes have occurred, the Commission has attempted to adjust its planning focus to most effectively deal with those changes.

Although this region has met the economic problems brought on by the sharp declines in employment in heavy industry, many problems still remain.

The unemployment rate in four of our six counties in November 1989 was higher than either the rate for Pennsylvania or the United States. While the rate of unemployment in Allegheny County at 4.2% and that for Washington at 5% were in line with State and national figures, Armstrong County at 8% and Beaver County at 7.4% were considerably higher. Further, the county-wide employment rates mask the deep and long-standing unemployment in our many industrial valley towns. To put this fact in perspective, may I cite an example of a job call that went out several weeks ago in the Mon Valley. A steel galvanizing company which plans to start production in July has received 2,400 applications for its first 50 jobs. Obviously, we have a large, skilled, under-unutilized labor pool which needs an infusion of capital into new industrial enterprises which can take advantage of their talents and experience.

Yet economic forecasts by Pittsburgh National Corporation indicate that payroll employment in Pittsburgh, which grew slower in 1989 than in 1988, will grow slower still during 1990.

The Commission has along recognized that a major factor in revitalizing the economy of southwestern Pennsylvania is the provision of an adequate transportation system. In recent years, it has completed a number of studies which assessed the economic impact of highways on specific areas in our six-county region.

The Crows Run Economic Impact Assessment studied the feasibility of constructing a Mid Valley Expressway to run east-west between the center of the Beaver Valley and the junction of the Pennsylvania Turnpike and Interstate Route 79 in Cranberry Township, Butler County. It documented the opportunities for economic development which would attend the highway. It was envisioned as a project which could breathe new life into an area which is rich from past investment but which must adapt to a changing environment. The highway, it was concluded, would integrate the low cost transportation assets of rail and river in the Valley with the greater convenience of highway transport on the Interstates which meet in Cranberry.

The need to expand and diversify the economic base in the Mon Valley area is apparent to everyone. A new highway system is an important key to providing job-producing facilities and residential development. The proposed Mon Valley/Fayette Expressway would unlock the door and give access to economic development and increased employment opportunities.

These are but two examples of transportation solutions to economic problems which the Commission considers vital ingredients in stimulating business growth; therefore, we recommend that EDA include supplemental grant funding for regional highway systems. EDA should also provide higher levels of funding in high cost construction areas because of severe topography.

SPRPC's Economic Development Projects Committee, which I chair, developed two very successful programs which are proving beneficial to southwestern Pennsylvania's economic well-being. The Regional Industrial Property System, known as RIPS, and the Computer Assisted Product Search, known as CAPS. These initiatives complement programs advanced by the Economic Development Administration.

Operational since 1984, RIPS is a useful economic development tool. RIPS is a listing of industrial and commercial buildings and properties that are available for sale or lease in southwestern Pennsylvania. The RIPS users, realtors, appraisers, utilities and economic development agencies, defined the file contents and keep it up-to-date. The files are accessible at any time by computer modem and are published quarterly. RIPS typically has more than 1,400 listings and about 40 active users.

CAPS is a comprehensive directory of manufacturers, a listing of over 5,000 firms and their products and capabilities is available in either print or electronic format. Nearly 200 organizations, including economic development agencies, utilities, purchasing agents of "prime contractors" and other local businesses, have used the Manufacturers Directory to support their particular objectives.

CAPS also includes a computerized service, matching federal procurement solicitations with the capabilities of interested firms. This service is used directly by a number of area businesses and reaches over 165 additional firms through procurement assessment centers. These organizations, including the Small Business Administration, the Minority Business Procurement Center, Southwestern Pennsylvania Economic Development District, Westmoreland-Fayette Private Industry Council and the Business Development Service Center of Indiana County, use CAPS to identify federal contract opportunities for their client firms and to help those companies prepare bid packages. The Commission recommends that EDA provide grant funding for these types of regional economic development initiatives.

The Commission also recommends the following types of projects for new and increased levels of EDA funding:

1. Supplemental EDA funding is needed for sewer and water systems in small EDA eligible communities where costs to provide these systems are currently prohibitive. This funding would benefit areas such as Northwestern Washington County with its proximity to the new mid-field terminal of the

Greater Pittsburgh International Airport. But this opportunity for economic development throughout southwestern Pennsylvania cannot be realized unless the necessary facilities, such as highways, sewer and water, are made available by a partnership between the public and private sectors.

2. Continued funding, at higher levels, of EDA Industrial Park Grant Program is necessary. This program has provided funding to establish a number of industrial parks in the region such as Speers, Southpointe, and hopefully the Malden project in Washington County.

3. We also support more grants to local agencies to establish loan funds to stimulate new entrepreneurial projects that will create jobs. Especially start up costs.

My testimony has attempted to demonstrate the varied local, county and regional initiatives, innovations and commitments to foster new industrial and business opportunities for our pool of skilled labor and the next generation. While we devote our energy and resources to achieving those goals, it is not enough without the continuing support of the Federal EDA.

Mr. **Savage**. Now, before calling upon our next scheduled witness, we are scheduled to break for lunch at noon, and to lunch from noon until 1:00. Now, Mr. Tylawsky, your testimony is very thorough here. I would be willing to expand a bit into the lunch break if you are able to summarize your testimony in perhaps 5 to 10 minutes.

Mr. **Tylawsky**. I can make it easier than that for you. I have already cancelled the appointment I was going to make after lunch, so it is fine for me to resume after your lunch break.

Mr. **Savage**. After lunch?

Mr. **Trimarchi**. Mr. Chairman, I am sure I can condense my testimony during that period.

Mr. **Savage**. All right. You are safe with that? Very good. Will you be seated, Mr. Trimarchi?

Mr. **Trimarchi**. Yes.

Mr. **Savage**. This is E. James Trimarchi, Chief Executive Officer, First Commonwealth Financial Corporation. Mr. Trimarchi, you may proceed.

STATEMENT OF E. JAMES TRIMARCHI, CHIEF EXECUTIVE OFFICER, FIRST COMMONWEALTH FINANCIAL CORP.

Mr. **Trimarchi**. Thank you, Mr. Chairman. I certainly appreciate the opportunity to come to this committee and testify.

As you have noticed, my statement is before you and is detailed. I certainly will not get involved in that phase of my testimony. However, there is one comment I would like to make which is off the cuff. I think the most important thing that we have got to discuss before this committee is the rate of change that is occurring in the world. That rate of change began right after the Second World War, and we are now seeing greater change much faster than we had ever seen before in the history of the world.

This rate of change that has occurred has created a great deal of dislocation, of economic dislocation. There is no question about the fact that this great country has a great deal of affluence and success in it, but we all know that there are pockets of unemployment and pockets of economic dislocation.

And there is no question about the fact that the rate of change is going to accelerate, particularly because of the change that is occurring in Eastern Europe, because of the change that is occurring with the European countries getting together, and the rise of the Japanese and Asiatic bloc. And I believe the Third World nations will certainly have a rapid change in the next 5 to 10 years.

So I believe the real purpose of my coming here is to discuss with you the possibility of rethinking the priorities of this committee, and also the priorities that the Congress faces. The truth of the matter is, as I heard your remarks a little earlier, you stated there was some needs of defense as well as needs of this committee. I believe the testimony that has been given here certainly would prove to any reasonable person that, if anything, this committee's use and power should be expanded. And I believe that very thoroughly. This priority that I am talking about that must be rethought is because the rate of change may pass this country by if we do not do that.

And my understanding of things would be that in the next 5 to 10 years, there is going to be a great deal of calm and peace in the world. That is going to give us an opportunity to change our priorities. So, I would hope that this committee and its important Members of Congress would return to Washington and influence the Congress of the United States to reshape the priorities of this nation to meet these very, very rapid changes occurring in our society.

And that would mean that instead of having the position of defending our country as the greatest responsibility that we have, that as the number one priority, we have an economic development priority. It is very possible that this country will slip from its position of predominance in the world to one of a secondary position. I also believe that we have got to restructure whatever factor may be in this society's budget, but it does mean we need taxes to be employed to help these people in our society that are at the lower end of the economic bracket. This country must make that a priority.

That is the end of my statement, sir.

Mr. SAVAGE. Let me say, concise but profound.

There is no question of the position of our nation in the world. The problem may appear to be based on the military, but actually, it is really based on the extent of our economy which is only reflected in the extent of our military.

Thank you. Mr. Kolter.

Mr. KOLTER. Thank you, Mr. Chairman. I just wanted to tell Mr. Trimarchi that as he was speaking, many people behind were nodding their heads in approval. So what you are saying is very popular. Thank you, Mr. Trimarchi.

Mr. TRIMARCHI. Thank you.

[Applause.]

Mr. SAVAGE. Before we part, let me say that when we reconvene, there are four witnesses scheduled, including Mr. Tylawsky, the only representative of your State. But if any of the other three witnesses think they can beat Mr. Trimarchi—[laughter]—we would like to steal three, four or five minutes from our lunch period again. Does anyone want to try? Well, if not, let us recess until 1:00 p.m. for lunch. Thank you very much.

[Whereupon, at 12:00 noon, the subcommittee recessed, to reconvene at 1:00 p.m., the same day.]

[Mr. Trimarchi's prepared statement follows:]

To: The U.S. House of Representatives Committee on Public Works and Transportation Subcommittee on Economic Development

c/o Carl Lorenz

From: E. James Trimarchi
First Commonwealth Financial Corporation
Indiana, Pa.
412-349-7220

Enclosed:

- Remarks to be made on Friday, Feb. 23, 1990, at Indiana University of Pennsylvania to the above mentioned committee by Mr. Trimarchi

PREPARED STATEMENT OF JIM TRIMARCHI

Good morning. I am Jim Trimarchi, President and Chief Executive Officer of First Commonwealth Financial Corporation of Indiana, Penna. I welcome each of the distinguished government representatives to Indiana County. I also welcome our other honored guests visiting with us today.

Ladies and gentleman, the 4th Congressional District is suffering through an economic downturn that has driven the unemployment rate in the district to almost double the national average. As a resident in the district, I believe it should be our mission to reduce the unemployment rate by at least one-half. The operating philosophy to accomplish this mission should be a coordinated plan whereby the communities in the districts can help themselves to as great a degree as possible. The overall job objectives should include at least one-quarter of the new jobs be created by existing businesses, with the remainder to come from a combination of public and private sector positions. The strategy to achieve the objective is a coordinated effort of industry, education, labor and government.

I ask you to help Indiana County and the 4th Congressional District of Pennsylvania through several specific programs. These programs which I believe you can help initiate for us, are:

1. Provide grant monies to Indiana University of Pa. so that they may develop realistic plans for the economic revitalization of the entire 4th Congressional District of Pa.;

2. Enact legislation that would provide that counties experiencing sudden and severe economic downturns have priority for locating of federal operating facilities;

3. Provide grant monies to businesses that are "starting up" or relocating to Indiana County;

4. Providing funding for improving the infrastructure of Indiana County;

5. Providing a long-term committment in the federal budget for increased funding for infrastructure improvements, whether that means lowering other priorities or increasing taxes.

Our requests are vital and immediate. Indiana County was described as a "boom town" in the 1970s, but has had severe difficulties in the 1980s. Unemployment, as measured by the Pa. Department of Labor and Industry, was reported at 9.0% for January 1990, almost double the national average. Downturns in the coal and oil and gas business have been major contributors to having the county fall into the definition of having had a "sudden and severe economic downturn". Community leaders are firmly committed to returning the county to economic vitality, and I believe with your help this can be accomplished.

To put the unemployment problem in perspective for you, the 9.0% rate I mentioned earlier translates into 3200 unemployed individuals in Indiana county. To achieve an unemployment rate at or below the national average, 1500 to 2000 of these individuals require jobs. I believe 250 to 500 of these new jobs can be created by expanding current county businesses and organizations. The remainder must come from newly created opportunities. How can this be done? What must be done to help us in this endeavor? I will now discuss the specific actions you can undertake to help us both here in Indiana County as well as in the rest of the 4th Congressional District, which is also experiencing unemployment well above the national average:

1. Grant Monies to IUP to Develop Plans for 4th Congressional District

The counties in the 4th Congressional District of Penna. have many strengths to build upon. An able and trained workforce, relatively low wage scales, an attractive quality of life with low crime rates, excellent health facilities, numerous recreational activities, access to major league sports and "big-city" cultural activities, and last but not least, outstanding educational institutions.

These strengths have not been fully exploited by the counties in the district because there has not been a consistent long-term plan for development of economic opportunities. By establishing a $300,000 grant to Indiana University's geography or related department, these strengths can be the basis for construction of a long-term economic revitalization plan for the 4th Congressional District. The University geography department, one of the best in the nation, would be able to work with the local Chambers of Commerce, local labor organizations and county and regional planning commissions to assure that a plan is developed that is realistic, and which achieves the objective of reducing the unemployment rate to less than one-half of what it is today in the 4th congressional district.

2. Legislation Providing for Location of Federal Facilities in Counties Having "Sudden and Severe Downturns".

Indiana County needs a federal facility. Possibly a federal prison or a regional federal facility to train bus drivers and truck drivers, or a military training base, such as a reservist training base for helicopters or for manuveurs in wooded and mountainous areas. The county needs that type of federal committment through legislation that dictates the location of these types of facilities. What better way to create 1000 new jobs for the county?

It would be more ecomonical for the federal government to locate facilities in an area experiencing a "sudden and severe economic downturn" since such an area, by definition, would be an area of low wages, low tax payments, many available workers, and reduced real estate prices.

I ask for legislation that would first of all, provide all county planning commissions with lists of upcoming relocations or openings of federal facilities, and secondly, would require that counties experiencing a "sudden and severe economic downturn" have priority in location of such facilities. In the meantime, I ask that Indiana County become an immediate priority area for locating such a federal facility.

3. Provide Grant Monies to Businesses Starting In or Relocating to Indiana County

To provide jobs now and for future growth, new private sector jobs must also be created. Federal grants of at least $1,000,000 per year are needed to aid in the establishement of new business in the country.

Further, an additional annual grant of $1,000,000 is needed to encourage companies to retrain and hire former mining or oil and gas industry workers.

With the request for a federal facility and these grants to the private sector, the goal of 1500 to 2000 new jobs can be achieved, significantly reducing the short-run unemployment problem in the county.

I will now discuss my last two requests, which have a potentially more profound, long-term impact on sustaining growth in the county.

4. Funding for the Infrastructure of Indiana County

Transportation, water and sewerage are basic, vital ingredients to long-term sustainable growth.

Indiana County is weak in infrastructure. There is no other way to describe a situation where only 41% of the population is served by sewerage treatment systems, where only 24 miles of four lane highway exists (and does not exist to access the major route through the area!), and where not even the county seat is serviced by a four lane highway.

Attracting and maintaining significant new businesses to the county therefore requires several federal committments, including:

1. Committment to convert a 12-mile stretch of U.S. Route 119 south from Indiana to Blairsville to a four lane highway, thereby providing access from the county seat to the major route in the area, U.S. Route 22, which provides further access west on 22 to the Pa. Turnpike. Also a committment to widen Route 422 east to Ebensburg to access Route 22 east and to widen 422 west to Kittanning for access into Ohio and south on Route 28 to Pittsburgh.

2. Committment for low rate loans to municipalities to develop sewerage treatment. For example, Center Township in Indiana County requires a $13 million treatment plant to stop raw sewage from emptying into a local stream. This in a community of 7,700 with average income of $15,000. Funds not available from the state's Penn Vest program or other sources clearly must come from federal low rate loans.

Infrastructure is both a critical immediate need and a requirement to overcome the longer-term problem I mentioned concerning attracting businesses to communities lacking transportation, water and sewerage.

Without Route 119 south going to four lanes, the widening of Route 422 both east and west, and low rate loans to municipalities for water and sewerage, long-term sustainable growth will not be achieved. Our county, without these committments, will continue to have "sudden and severe economic downturns" in the future.

5. Providing a Long-Term Commitment in the Federal Budget for Infrastructure

The infrastructure of the United States is deteriorating. Bridges, roads, sewers, water systems must be created and improved for our competitiveness as a county state and country to continue.

Take Indiana County as an example. Two of the three largest employers are a coal company and a coal-fired electric generating station. Where will these businesses be in the long-term as clean air becomes a higher national priority and if technology is not developed to reduce the emissions from these plants at acceptable cost? Indiana County in the long-term must perpare to replace much of the employment in these businesses. The only way to ensure other businesses can both locate in Indiana and compete in the world market is to assure that an adequate infrastructure is already in place for them.

Roads, water, sewer, bridges can not be the impediment. They should be there without even having to ask. The development of that infrastructure, be it through direct expenditures or low rate loans to local and state authorities, should be a major priority in the federal budget and should either replace other non-vital spending or be paid for by increased taxes. The long-term growth of our county and many others like it requires such public works to be built and used.

I have provided five specific actions which I believe will help alleviate the current unemployment problem of the county and 4th Congressional district. At the same time these actions provide the structure for the long-term sustainable growth of the area. In closing, I want to thank you for providing me with an opportunity to present my views. I cannot over-emphasize the importance of a solution which is both comprehensive and prolonged. Quick fixes and miracle cures will not relieve the economic woes of the people who are depending upon us for guidance and leadership. As you consider these requests, please keep in mind the families that these numbers represent. You actions will affect thousands of people -- people who want to earn a living and provide for their family. People who, through their increased personnal economic well-being, will stimulate community economic growth. People who, with your help, will fuel a significant economic upturn that will start this district on the road to long-term financial prosperity. You have it within your power to initiate the actions that will help make this plan a reality.

I look forward to working with you in the near future. I also want to express my gratitude to Dave Fullerton of the Indiana County Chamber of Commerce for his continuous efforts to bring forth positive economic results.

AFTERNOON SESSION—1:16 P.M.

Mr. **Savage**. This session of the Subcommittee on Economic Development of the U.S. House of Representatives will now come to order.

We resume with the testimony of Ivan Tylawsky. Will you come to the witness stand? Mr. Tylawsky is the Director of the Office of Regional and Community Initiatives of the Pennsylvania Economic Development Partnership. We want to welcome you, Mr. Tylawsky, and will you proceed?

Mr. **Tylawsky**. Thank you, Chairman Savage and Congressman Kolter. It is a pleasure to be here.

Mr. **Savage**. Mr. Tylawsky, if you would suspend for just a moment. Let me recognize a grade school teacher here, Sam Zaffuta, who has with him, I understand, three senior classes in American Government. I want to commend you for bringing those classes, first of all, so that they can see firsthand, Government in action. And I hope that you find it entertaining, at least, if not educational. Thank you for being here, seniors from Indiana High School.

Mr. **Tylawsky**. Thank you, Mr. Chairman. I also promise that I will not read all my testimony. I understand you are rather short of time, sir.

Mr. **Savage**. Let me interject that I am going to have to take leave to go to a prior commitment. We have a plane waiting for us at the airport. I am going to have to leave at approximately 2 p.m. That does not mean that you have to rush because when the time comes when I must leave, I will step out, and my good colleague and your Congressman Kolter will then assume the chair and continue this hearing.

However, let me remind you that the printed copy of your testimony that we have—and this is true of other witnesses—will be in its entirety put into our official record, so there is no need to read the testimony. We would appreciate it very much if you would instead summarize it as you see fit. Thank you.

STATEMENT OF IVAN TYLAWSKY, DIRECTOR, OFFICE OF REGIONAL AND COMMUNITY INITIATIVES, PENNSYLVANIA STATE DEPARTMENT OF COMMERCE

Mr. **Tylawsky**. Thank you, Mr. Chairman.

As I see it, the three topics that I probably should cover today will be [1] to summarize the value of EDA and ARC to Pennsylvania in general, since their inception 25 years ago; [2] to highlight the Commonwealth efforts for southwestern Pennsylvania which, not surprisingly, falls within working with EDA and ARC, and finally; [3] try to provide some insights into emerging new public policy directions for the distressed regions in general, based upon a lot of experimentation in this state in using the ARC and EDA programs to our advantage in the past 25 years.

Before I start addressing those topics directly, some personal background might be useful because it relates to testimony in those other areas. I am a genuine child of a distressed region, not southwestern Pennsylvania, but northeastern Pennsylvania. I grew up in the 1950s and 1960s, I am not sure exactly when somebody first coined the phraseology, "economic transition," but what it meant to people in northeastern Pennsylvania at that time was that the coal industry after World War II was in trouble, the anthracite coal industry, specifically, because the world was then beginning to use oil and not coal. This region was as close to a one-industry place as probably ever had been invented; probably very similar to the Mon Valley or Indiana County in recent years.

The economic recovery efforts in that area, in fact, led to some of the innovations leading to the very creation of ARC and EDA, certainly EDA. In 1956, people in the northeast together with some of the people from the western part of the State lobbied for the creation of something called the Pennsylvania Industrial Development Authority, which was the very first State-level program for economic development financial assistance.

In the late 1950s, a Congressman by the name of Dan Flood—who some people in the Committee may recall—and a Senator from Illinois by the name of Paul Douglas worked together very, very diligently to bring something into existence called the Area Redevelopment Administration. Many people do not remember, but that agency was essentially the forerunner for the Economic Development Administration.

After attending Cornell University and acting as a naval officer for awhile in the 1960s—that was kind of a popular thing to do back then—I came back to the home area and found myself working on the staff of the Economic Development Council of Northeastern Pennsylvania, which was EDA's and ARC's, Economic Development District (or EDD) or Local Development District (or LDD) organization for the home area at that time.

I ended up being their first full-time EDA staff person. The timing of that was kind of interesting; it was one month after the Agnes flood. So, I had to learn something about economic development and quickly. Between $10 and $20 million of Federal EDA funding became available to the region because of the timing of that particular disaster. Essentially, it was my job to try to come up with projects by the end of that fiscal year to try to spend that money which was available.

I am happy to report we spent every nickel. I am also happy to report that when I joined the State government later, it has been very satisfying to try to help fill these new industrial parks created in that period with that funding. That part of the State owes EDA and ARC a large debt of gratitude, as do other regions of the State, including the one that we are in currently.

When I joined the State government, after going back to Cornell to get a master's degree in urban and regional planning, I found myself joining the Governor's office at that time, in 1976. It was sort of a historic year. People do not realize this: It was the first time that Pennsylvania had an unemployment rate above the national average. It was in 1976 that this happened for the first time since they collected such records. By 1979, this State had the seventh highest unemployment rate in the country.

Believe me, that spurred a lot of innovation. It also coincided with me being in that particular Governor's office and being involved in two state economic development strategies that have had a great luck in being implemented, providing a base for redirecting the State budgets and for developing many new programs in the field of economic development—many of which have received even national attention.

At the end of the year prior to this one, an interesting book came out by a person named David Osborne through the Harvard Business School Press. He indicated that relatively speaking, at least, Pennsylvania had developed the best economic development system in the country.

I want to tell you that this basic state model owes an awful lot to the EDA and ARC models. In fact, institutionally the State has used the Development Districts to great advantage. As we have all found out together during this period of economic transition, there is more than enough work to do for everybody. Sometimes the full credit does not get around to everyone for these efforts, but hopefully, we are all working on that.

I have been the manager of the ARC program in Pennsylvania during that time period. I am also currently the EDA point of contact. After I completed work as the principal author of the latest economic development strategy, Governor Casey created a brand new office of senior economic development professionals to bring into existence something called the Regional Opportunities Initiative, which I will refer to throughout this testimony.

So, I have had 20 years of participation in this evolution of economic development throughout practice. And hopefully, some of the remarks I provide today will be useful as a further contribution.

The first topic is the value of the EDA and the ARC. There are really two basic bedrock pieces to that value. One would be the funding for the projects itself; but also, as I have made reference to already, the other is the creation of these organizations called development districts. People have a hard time remembering when areas originally started feeling these kinds of transitions, how difficult it was to get organized for anything. It is a common phenomenon that when things get bad that people tend to point fingers at each other rather than rolling up their sleeves and trying to do something productive together. These development districts have been very, very vital in this regard.

Mr. **Savage**. Excuse me, Mr. Tylawsky, for a moment to permit me to ask whether those sitting in the rear of the room are able to hear the testimony?

[Response from audience.]

I am wondering, can you adjust that mike any differently, or is that mike as loud as possible?

Mr. **Tylawsky**. How is that?

Mr. **Savage**. Very good. Thank you.

Mr. **Tylawsky**. In a nutshell, EDA and ARC have been of tremendous value to Pennsylvania through the funding of specific projects and also for the development of the local districts.

To provide an idea of the importance on the project side is that ARC's funding represents roughly one billion dollars to Pennsylvania. This amount is in "real" dollars over time. In current dollars this impact is probably double or triple that of the real dollar impact. Approximately $250,000,000 of that has been for nonhighway programs, and $700,000,000 has been for highways.

EDA represents one-half billion dollars to the Commonwealth of Pennsylvania in general; 60 percent in loans, approximately, and 40 percent in grants. In recent years, it is not surprising that the geographic focus of these funds has shifted ever increasingly to southwestern Pennsylvania and western Pennsylvania in general, which have been the most hard-hit areas.

I would like to now get into a bit of discussion on efforts in the southwestern portion of Pennsylvania , which are frequently supported by both EDA and ARC. The Regional Opportunities Initiative, which was started by Governor Casey in January of 1989, works closely with the Governor's Response team, to try to accomplish what we call strategic projects in key distressed areas throughout the Commonwealth. It has a strong interdepartmental base, which means certain program resources are shared with cooperation of our Department of Community Affairs and the Department of Environmental Resources, for example. I think that is a very important feature.

In addition to the creation of this new administrative arrangement, $10 million twin programs called the "Industrial Communities Programs" were passed in the last legislative session, providing $10 million per year for projects which do not require a specific business to be involved at the outset of the project. So we now can start development projects which are less restricted, using investments from other departments at the same time to increase the overall impact and reduce the overall risk.

Some of the results. If you turn to my testimony, page 7, Figure A basically points out that just in the past 12 months, we have reviewed approximately 114 possible projects; got 53 applications funded, representing over $50 million of State funding, and three times this amount has been invested by the private sector into these projects, into distressed places throughout Pennsylvania.

Thinking back to what you said this morning, this is a sign of the sad times in terms of the numbers for ARC.

The $50 million of state funds expended through this single state initiative is roughly the same total being proposed in the new Federal budget for the entire ARC program for thirteen states!

The focus of the effort in southwestern Pennsylvania has been on what we refer to as the "steel valleys." It is basically projects for revitalizing or jump-starting the economy in those areas. For example, the president of Indiana University today talked about their new Industrial "incubator" created through State funding, on a new industrial site called "Intelligence Park." As I believe Congressman Kolter said just last week, this has not been an easy project. But I think it has been of very significant consequence to this area.

But primarily, the focus has been on what we call the steel valleys: the lower Mon Valley; the mid-Mon Valley, Washington County (what we heard Mr. Trimarchi speaking about this morning) the Beaver Valley to the northwest of Pittsburgh; and the Shenango Valley, which is on the Ohio border.

There also are strategies included for the cities, but I thought that the primary focus of the testimony today should probably be the steel valleys. For example, in the city of Pittsburgh, there is another project, Congressman Kolter, that relates to your discussion this morning, the MAGLEV/Magnetic levitation project is also a substantial project that we are working on within this new initiative. So ties into the new economic opportunities that you were speaking of for the entire region.

If we could focus on the Mon Valley for a minute because it would be too much to talk about each one of those steel valleys today. I will use one as an example, the Allegheny County portion of the Mon Valley. There is a map on pages 9 and 10 of the testimony. You can get a general idea from the map of where the different projects are located. It shows how the primary focus is on the former steel-producing sites in Allegheny County which now are being completely rehabilitated and revitalized, transforming them into the modern industrial business parks of the future. There are efforts tying in these improvements to other improvements—transportation improvements and an airport, for example—into the region as a whole. These other transportation improvements provide a rationale for why those former steel sites could be strategic sites well into the future.

One of those sites is the former USX National Works in McKeesport. At that site, in the past month, the Governor announced a package of assistance that included $12 million for McKeesport alone, which involves every type of infrastructure need, to create this new business park, including some funds for environmental clean-up. There is also a pending EDA application for McKeesport. Mr. McKean mentioned that project this morning, as well as a number of others we are working on under the Regional Opportunities Initiative.

In general, what the efforts in southwestern Pennsylvania, are showing in this unique state targeting initiative is that by working closely with the Federal Governments' own investments in an area that there really is still a tremendous arsenal of financial assistance programs and technical assistance programs available for business growth in a given distressed area if it is packaged and targeted. Our broad range of pioneering technical assistance programs to business has been a very important component in what Pennsylvania has been doing now for a large number of years.

The seed money for most of those efforts actually started with EDA and ARC, especially ARC for industrial incubators or revolving loan funds. As I was having lunch today with a couple of other witnesses I was telling them about how when I was first talking to staff in the Governor's office and the Department of Commerce in the early 80's about incubators, the people first thought I was talking about chickens. There are not too many chickens in Pennsylvania; a lot of other types of business, though. Pennsylvania now has more industrial incubators than any other state, by far. Southwestern Pennsylvania itself is probably now the "Incubator capital of the world". We have had visitors from as far away as Greece, for example, and personal emissaries from the King of Sweden and Corazon Aquino of the Philippines.

In sum, to conclude my testimony, I would like to look at the whole issue of where we are heading. For example, you are considering reauthorization legislation for those two programs. What I would like to do is pull together the key elements that the Commonwealth has been involved with for the last three years, going back to its relationship with ARC, to try to get an idea of what you might call an "ideal regional competitiveness program." I think that "competitiveness" was an important word used in conjunction with the coal industry testimony this morning. I think some of us think the term is not being used enough in Washington; that some of you don't take it seriously enough.

I think that Mr. Trimarchi's main message this morning was that the world area is becoming a very competitive one; it has been competitive and, as we are beginning to see, it looks like it is going to get even more competitive in the future. If you happen to be in a distressed area, you are already beginning to get a feel for that change. I think you might conclude that the future might include even more pain than we have already gone through. It is kind of incongruous to see this picture emerging at the same time that the President decides not to provide any money at all for EDA—and only as very small amount for ARC—in the new budget. Even more so when you consider that there is now a person named Jack Kemp at HUD who is pushing the notion of enterprise zones based on the same rationale of ARC and EDA, except that it deals primarily with urban problems. But I do not believe, as somebody working on this both urban and rural problems for many years that there is as much difference between those types of problems, that is, urban and rural, as is commonly believed. They have a lot in common as to the causes of distress, and one of them is the lack of competitiveness in general in those places. That is, in fact, the larger issue we are facing in this country as we are trying to compete with other countries.

On page 21 of the testimony, Figure 8, is where I tried to highlight what I think are seven basic elements of an ideal regional competitiveness program. Without going into any great detail, I would like to give some impressions on each one.

The first step would be to identify vulnerable geographic regions, using a technique similar to what we are doing in this State, trying to describe which areas might be in trouble going into the future. There are sometimes problems to get that kind of analysis running because it is very sensitive information. However, the fact remains that you cannot hit targets that are not clearly defined.

The second step is to try to assist those areas to focus in on the use of regional opportunities as specific investment targets. When you think about the focus of this committee itself and the Committee on Public Works and Transportation, it should be relatively easy for you to identify the geographic areas where federal public works and transportation project investments were made and where you have made major investments in the past. These federal projects in or near the vulnerable distressed places help create "regional opportunities", such as regional industrial parks. At the state level, we look for the location of such federal investments, either for public works or for highways, and look at their potential for regional economic growth. There has been a very large amount of federal highway and transportation investment, for example, near the former steel sites in southwest Pennsylvania. Therefore, we did not think it was that risky to make those new state investments in rehabilitating those steel sites. This is just one example.

Use of public works and transportation projects in this way (the third step) is not a new idea. It goes back to the beginning of EDA and ARC. It probably goes back, in fact, to the Marshall Plan after WW II to help areas in need of assistance beyond our own shores.

The fourth component would be—and because it is still rather new, it tends to get not enough attention in Washington—what I refer to as enterprise development services. For example, technical assistance trying to find new markets for new, emerging industries or companies in a region with currently few markets, whether they are federal procurement or foreign export markets. Other enterprise development services examples are financing machinery and equipment, customized job training, and small business incubators. There is a lot of research on our work in Pennsylvania which shows that, compared to "hardware" investments, technical assistance is actually more cost-effective. It takes $10,000 to $15,000 of public funds to create a new job on a "hardware" project that technical assistance, for example, helping obtain a federal procurement contract for an existing area company, could do for a $500 per job.

Another, fifth, element would be a one-stop clearinghouse to try to focus and network those different kinds of service delivery agencies, the types we have here in Pennsylvania and other states.

If you are able to accomplish this set of five steps or elements of this policy or program, you would have a very powerful job-generating system. If you could harness this system and, furthermore, try to focus this system on what some people call "Flexible Manufacturing Networks." You would also have a very powerful system for new regional competitiveness into the future. This is a sixth step which could be taken.

Such a system has made a huge difference in a formerly distressed region of northern Italy called Emilo-Romagua. Using such a system, including Flexible Manufacturing Networks, this region's per capita income, rank among Italian regions jumped from 19 to 21 to third in less than a decade. I have not heard that kind of turnaround in any place, unfortunately, in our country, and it certainly bears examination.

We have some demonstration work going on in Pennsylvania so we could harness bout our financial assistance side, and our technical assistance side, and focus on (in what we call our main initiative) groups of companies that are linked and working together in this way—becoming more competitive in the future, producing very high quality products, very, very flexibly and very, very fast. Some people say those three words, quality, flexibility and speed are the magic words for international competitiveness into the future. Their value is already well known in competing regions of ours in Japan, Germany and northern Italy.

And finally, if we would have this marvelous new regional system for generating jobs, and stimulating future competitiveness we could turn our attention to the final important step, which is to connect those new jobs with the people who need and want the jobs the most. One of the major initiatives that the Casey Administration is undertaking is to put another system in place to provide the kind of training and counseling necessary so that people who want the jobs the most can get tied into the new jobs that we are trying to generate.

That would be the complete regional competitiveness system and I think it might be something that might be a model for the rest of the country or for a Federal policy.

It is interesting to look at this set of elements for a competitiveness program in relation to the existing EDA and ARC program authority. While some of the elements are outside the scope of EDA, as far as I can tell, they are all within the scope of the existing ARC legislation. However, that legislation is really straining now to try to reach and support some of these innovations.

So, the bottom line would be that we should increase funding for EDA and ARC. The satisfied demand for funds on the ARC side in recent years has been only one in four or five of the eligible projects submitted to ARC. It could be one in 10 this year. Second is to consider reauthorization legislation. It is getting hard to work successfully under the old legislation for these programs, especially EDA. And, as I have outlined, we will be expanding our scope of activities, too. The problems are too big; many of the issues need to be resolved—and soon the competitiveness is too big to ignore. That is my last recommendation—to somehow try to reach an accommodation with the new Administration. I know it is not very easy for the Members of the subcommittee and Mr. Chairman, yourself personally, to do too much about this, but it should start someplace.

There needs to be increased coordination even among the different committees in Congress. This notion of federal enterprise zone, for example, should require some coordination in terms of what federal program actually relates to what committee variances ideas on targeting federal assistance are being talked about in committee meetings at different place. I think that is important to coordinate, just like the coordination of the Executive Branch is important. That is probably never going to get easier, but certainly it can be suggested as requiring attention.

To conclude my remarks, I think the last thing I want to stress, especially in going back to the discussion of this value of the Development Districts, is that one of the things that is a legacy of these Federal EDA and ARC initiatives is that local people have put these systems in place. Sometimes, they do not work completely, but it is an enormous legacy. The challenges that we are facing, whether internal or international competition will need them. You already have consumed a lot of funds in getting these people and ideas together to be able to do something about the challenges that we have. They can be of great value in meeting the new challenges of the future.

My concluding statement will be very simple. In terms of the doability of these kinds of initiatives, I do not believe that it requires any new leadership or new people or any "great" men. I am especially partial to a quotation from a former World War II admiral, W. F. "Bull" Halsey: "There are no great men. There are only great times which ordinary men, by circumstance, are forced to meet."

Thank you for your opportunity to provide this testimony.

Mr. Savage. Let me thank you, Mr. Tylawsky, for your rather detailed testimony. Let me ask you a couple of questions that do not come directly from your testimony, but because of your background, your experience and knowledge of the EDA and ARC legislation and its history. Compared to other Federal programs, how important do you consider EDA and ARC now in the nation as a whole, with regard to those areas that are distressed, of course? I mean not only geographical areas, but industrial areas, population segments, and whatever.

Mr. **Tylawsky**. You will have to take whatever I say obviously realizing that I have a little bit of bias in the answer. However, I would love the opportunity to answer that.

I think when you especially consider the importance of the regional agency funding for the last 25 years, they are far and away the most useful federal programs, simply because of the innovation that they fostered. Most other Federal programs are very much wrapped up in too many regulations and guidelines which stifle innovation. Essentially, EDA and ARC's legislation tried to decentralize the administrative bureaucracies of those two programs, especially ARC. ARC is very, very nimble in that regard, and has a very nice blend between what the local people want, state policy interests, and federal policy guidance. For that reason alone, I would say that ARC is one of the most successful programs for either economic or community development that the Federal legislation has ever created.

Mr. **Savage**. Let me ask you further. You know, we expect in the next few weeks to bring to the floor a three-year reauthorization for EDA and ARC. There is some talk of an amendment that may be proposed to add as eligible for EDA activity Federal enterprise zones. As you know, there are no designated Federal enterprise zones thus far, but there is authority to do so in place. And the question I have is: since we will be in a battle over the amount for which we can reauthorize EDA and ARC, if and when Federal enterprise zones are designated, and if they lack economic development districts, it would have the effect of adding districts; correct? Or do you follow?

Mr. **Tylawsky**. That depends on how they did it. I have never considered such a system.

Mr. **Savage**. Well, for instance, you have roughly 240 economic development districts across this country which are eligible for either activity. Now, the state governments designated roughly 100 enterprise zones. If there is an effort to amend the authorization bill to include enterprise zones since there is no requirement that they be congruent with economic development districts, it may have the effect of increasing the areas eligible for EDA participation while there will not be any increase in the funding. I want to get a response to that, please.

Mr. **Tylawsky**. There are a number of practical problems with what I understand is being discussed on enterprise zones. For example, in terms of picking up on what States already have done. As the committee's counsel mentioned the other day, one State or two has got their entire State potentially designated as a zone. That is not exactly in harmony with the federal ideas.

I think the key point in terms of how this new program will affect people here in Pennsylvania is that it may not improve things within the State as much as it could if re-thought. There seems to be, over the years, confusion at the Federal level in terms of actually doing geographic targeting between naming the places that are in need (that you are trying to assist) and where you actually make the investments. The fact of the matter is that if you come from northwestern Pennsylvania during the 1950s or the 1960s, or from Chicago in the 1980s or 1990s, that the more distressed a place is, by definition, the more scarce opportunities for investment become.

The Federal investment, on the other hand, should be in true opportunities. However, the roads and the transportation systems you are talking about as public investment opportunities, for example, do not have to be necessarily in the areas to benefit or assist them. The key thing is the improvement of the administration of those programs, and making sure that the administrative personnel pursue the question "What is the full geographic impact of a given project or investment?"

What would happen if, instead of creating enterprise zones with rigid boundaries, you create "economic opportunity" zones that had boundaries that were not necessarily rigid, that were simply roughly related to a concentration or a cluster of communities or neighborhoods you are really trying to help, and did not really stick to the geographic boundaries in making beneficial public investment? In Enterprise Zones, this whole idea of putting an investment on this side of street, especially if you have depressed environment, and that is eligible just because it is within zone boundaries and not over here, on the other side of the street where it may otherwise make good sense is crazy.

I am sorry, but from the State level, this potential use of rigid zone boundaries which contains investment location does not make any sense. The solution is not to worry about it. Identify the areas that you are trying to assist, but make eligible investments of any type at any place that can be shown to improve or assist the place that you are trying to help. If you look at it that way, I am not sure what it does in terms of the number of zones which would be adequate or appropriate. I do not think, the numbers are really, from our view, that important. There is going to be a defined dollar amount. The Federal Government, even though it cannot get money from the United States, that is not going to be the last budget here and today, that amount of money.

If you look at it by way of demonstration, set up that way, I think you might be able to get over some of these hangups that really get traced back to Congress' understandable concern with political jurisdiction or the way some former Federal programs sometimes define areas in ways that move people away from trying to look at targeting because of problems of complexities in political jurisdictions. Do something which is probably more common sense, advise the executive branch to identify geographic areas of need but to use a principle of opportunity not just need for the location of the investments. And advise the bureaucrats in whatever agency that is administering whatever programs, to then consider the impact of the project on the places you are trying to assist, even if the distance appears to be rather far from the target distressed places.

There is one other thing in relation to that. I recently listened to some of the executive branch testimony on the enterprise zones concept and sometimes just had to chuckle. The simplest yet most effective single thing that could be done, assuming that you could come up with some reasonable way to define those targets, like opportunity areas, is to funnel the full range of "categorical" Federal domestic assistance, which, even though it has been shrinking over the years still represents a lot of investment resources, to these target places using this opportunity principle. Whatever system a given categorical program uses to establish priorities with respect to project money, just modify it to give top priority to these areas, across Federal program lines, that need assistance. Not a single nickel of your money would be wasted by creating such efficiencies in terms of just considering fully the impact of the funding on those places. At the State level in Pennsylvania, that is in fact what we have done.

Mr. **Savage**. Just to make sure that I am following you. You are saying that we should be more concerned about the impact of the program on the problem of distress, rather than the relationship to some geographies.

Mr. **Tylawsky**. That is right. The opportunities, the most sound targets for the public investment may or may not be physically within the geographic boundary that you use in defining need or extreme need or high need. In many, many categorical program projects—most projects, probably—the investment impact goes beyond any single jurisdiction's boundaries. For all the years that people have worked in these programs, nobody has asked them a very simple question; ask the people who are getting paid to administer the program to clearly identify what the impact is, to focus on that, and if determined that the impact effect is on the target place is still significant even though it is not physically within that place, to still consider the project eligible. Instead of forcing the project to be in the place where it may not make good sense to put the project in the first place, just to make it eligible for the target area's funding.

Mr. **Savage**. So then, with that approach, I gather you are saying then that making enterprise zones also eligible would not really have much of an effect, if they followed your approach.

Mr. **Tylawsky**. No, or I'm not sure. In any case, the alternative approach would be a very efficient way of targeting whatever dollar amount is available for either that program or these other federal programs and to have them spending their money together to try to reach some target places. If you just look at the set of programs that might be involved in this way, look at that total volume of federal dollars available, rather than just any individual "zone" program, for example, in HUD, this would be a very high volume of dollars each year which would be targeted to distressed places.

Mr. **Savage**. Mr. Kolter.

Mr. **Kolter**. Thank you, Mr. Chairman. I would like to thank Mr. Tylawsky, Ivan, for coming here today. The work that you are doing and the work that the Governor is doing in this area, quite frankly, is known nationwide.

The one question I have, I think you just kind of touched on lightly: The linking of new jobs with disadvantaged and unemployed people. You know, I am one of the few guys that is conscious of the consumer every week because I am only five hours from Washington. I can drive home in five hours or fly in one hour, and I get a chance to hit all my six counties every week. And I find people who have been trained and retrained with these monies, but they cannot find jobs. How can we better do this to provide jobs? Do you have any thoughts on this at all?

Mr. **Tylawsky**. There are several different issues relating to that answer, and I think that I have already taken more time than was probably appropriate to get this discussion started, but I will touch on it.

First, you need to look at what you are doing as part of system—not just a "program". The kind of system now in place that Governor Casey has called, a "model approach" was a result of looking at what the Federal Government in fact had done including Canada, and some states—I think, California, Massachusetts, New York—have also been cited as having model approaches for job training and hiring the disadvantaged. It was interesting research. In fact, I did some research myself. To understand what the three different states did, can you imagine creating a list that had 10 steps on it that were then known to work, from counseling through how to do a job interview, and the training in between all as individual steps? Some of the states, after five years working individually, 15 years together, figured out some very, very simple principles as basic steps.

Their model programs individually were that one state focused on the front end work, one state focused on the middle part, and one state focused on the back part of this list of steps. What we tried in Pennsylvania starting at the former jobsites was build a complete system covering all ten of these steps so that the result was that, at the end of this process, the individuals participating had a very, very good shot at that new job opportunity that our economic development efforts had just helped create. Then, there are 10 things that need to be done not just any one, two or three. In fact, if you think about it, any one or two things that are not done because the system is not complete can derail a person off the track in the first place. It is a very, very difficult trip, and unfortunately not everyone can make it. But that is essentially the approach that was taken—as a system to be made complete and linked to another.

Such a system requires working together across departments and levels. Three different departments of the State government are involved in Pennsylvania. Not easy, but it can be done. That is part of the answer.

In terms of the training issue in general, one of the things, unfortunately, is that when you ask education people what the answer to this question is, they do tend to have an understandable bias in their answers. You should ask them the question, "What are the jobs of the future going to look like?" rather than only to indicate what they are currently training for. Very few people ask that basic question for some strange reason. For all the Federal and State funds that have been committed, we at least should ask that question and demand an answer.

In the process of developing our strategy, we tried to get an unbiased answer to the question from SRI International, but were only partly successful. From the federal and state projections data, we cannot actually make the translation between the different kinds of coding systems now used to classify education and training categories and the categories for classifying new jobs by what are called SIC codes in an industry. We are getting very close. We all need to get that understanding to start with. Then you would know sort of targets you are trying to hit, once again.

Those are two ways that I would suggest that might be able to answer your question about improvement in this area of training programs.

Mr. **Kolter**. Thank you very kindly, Ivan. Thank you, Mr. Chairman.

Mr. **Savage**. Let me thank you very much for a very enlightening testimony, Mr. Tylawsky. You can be excused.

[Mr. Tylawsky's prepared statement follows:]

TESTIMONY TO:

SUB-COMMITTEE ON ECONOMIC DEVELOPMENT

OF:

HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

FEBRUARY 23, 1990

BY:

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Honorable members of Congress, I am pleased to be able to provide this testimony today. I would like to generally summarize the value of both the ARC and EDA programs to the Commonwealth over the past 25 years, to highlight Commonwealth efforts for assisting southwestern Pennsylvania in recent years, and to offer some insights into emerging public policy directions in dealing with economically distressed areas as we enter this decade of the 1990s. As we enter this decade, the need for federal assistance and initiatives for such areas may be as great now as it was when the ARC and EDA programs were created 25 years ago.

I am especially pleased to be able to provide this testimony today, because I have personally been hoping for such an opportunity for many years.

I was reared during the 1950s and 60s in a small town called Duryea, located between the cities of Scranton and Wilkes-Barre in northeastern Pennsylvania. At that time, this region was one of the first regions in the post-war era to experience what we call "economic transition" due to national and international market shifts away from the use of coal and toward the use of oil.

Being perhaps as close as a region can get to a "one-industry" economy (similar in scale to southwestern Pennsylvania's "Steel Valleys" twenty-five years later) the effects were devastating. In the early fifties, some parts of the region had unemployment rates in excess of 20 percent.

These circumstances led the Commonwealth of Pennsylvania, spurred by local legislators and community leaders, to create the nation's first state-level economic development program (the Pennsylvania Industrial Development Authority) in 1956.

The Congressman representing Luzerne County, Dan Flood, lead the fight (along with Illinois Senator Paul Douglas) for the creation of the Area Redevelopment Administration--the forerunner of EDA.

Returning to the region in 1972 after attending Cornell University and serving overseas as Junior Officer in the Navy, I was hired by the Economic Development Council of Northeastern Pennsylvania (EDCNP). This was EDA's Economic Development District for the seven-county region. I was to be the District's first full-time staff person for the EDA program. This was the summer of 1972--just over a month after the Agnes flood hit Wilkes-Barre and the Wyoming Valley.

EDA had made a commitment to give the area top priority access to their otherwise uncommitted funds for that fiscal year, between 10 and 20 million dollars, if we could develop sound projects in what remained of that year. My job then was to develop these projects and, simultaneously, to do the EDA-required overall Economic Development Program--the first strategic plan for the region. We took full advantage of every EDA dollar available primarily for the development of a series of industrial parks. As I have worked for the Commonwealth for the past fourteen years, it has been satisfying to help fill most of these, then new, industrial parks with job-producing tenants.

After the flood recovery effort, I returned to my Alma Mater to obtain a Masters degree in Urban and Regional Planning. I specialized in studying the causes of economic distress and practical solutions to reverse these conditions in a region. I joined the Governor's Office of State Planning and Development as an Economist in 1976. In this year, Pennsylvania entered the record books as having an unemployment rate higher than the national average for the first time since such records had been kept. By 1979 it had the seventh highest rate in the country. I never dreamed that, by the dawn of the

1980s, most regions of my home state would become "laboratories" for the study of economic distress.

Subsequently, in serving three different Governors, I have found myself involved in helping to recommend, staff, lead, or author the Commonwealth's two highly-participatory economic development strategies. What has been very satisfying, is that they have led to action. I have been fortunate to have been asked to help lead implementation of these strategies and to develop many new Commonwealth programs which have been used as models in other states. A recent Harvard Business School Press book by David Osborne "Laboratories of Democracy" cited many of these initiatives in naming Pennsylvania as the economic development model among all states. I personally think this naming is debatable--there have been many successful innovations across many states. However, it is recognition that a state or states can be major contributors to what we now know about helping distressed regions (and their industries in transition)--whether they be in Pennsylvania (steel), Michigan (autos), West Virginia (coal), or Texas (oil).

During this period, I also have been the past manager of the ARC program in Pennsylvania, and I am currently the Commonwealth's point of contact with EDA. Since completion of the Economic Development Partnership strategy work for Governor Casey, I have been asked to head a new office of economic development professionals with the mission of developing and implementing the Governor's new Regional Opportunities initiative, which I will discuss more fully later in this testimony.

This office works very closely with the Governor's Response Team and several other key departments. It is derived from the state Strategy's thrust of targeting Commonwealth assistance to people and communities in distress.

Thus, in the last twenty five years, I have seen and have had an opportunity to participate in the continuing evolution of economic development theory and practice as it may help present and future regions caught in economic transition.

This body of knowledge owes much of its existence to the ARC and EDA programs. The organizational base of Development Districts at the regional level continue to be operating laboratories. States are also now becoming strong contributors of not only innovative ideas, but also people and financial resources--through many new programs and institutional arrangements. Beyond the public sector, the resources of the private sector (e.g. business and education) are not to be ignored in partnership arrangements. Taken together, we all have a stake in competitive people, communities and businesses for the future.

The impact of the EDA and ARC on Pennsylvania has been tremendous. In addition to the funds provided for a variety of economic development projects during the 25 years that these programs have been in operation in the Commonwealth, the legacy of these programs may well be the creation of the Development Districts.

The Development Districts have played a vital, though changing role, in the evolution of Pennsylvania's economy during the last 25 years. Initially, most development districts were concerned with assisting local governments with federal grants and in preparing regional development plans. During these early years, almost 50% of Pennsylvania's Development District's funds came from ARC. Most of the rest came from other federal agencies, like EDA.

Today, the Development Districts provide a much more diverse set of services to local communities. The districts have been increasingly called upon to plan and administer a variety of federal and state programs on a multicounty level. Local governments have also increasingly turned to the districts for the planning and administration of programs. One of the most recent areas that Development Districts have become involved in is now being called enterprise development. Many Districts now commonly administer revolving loan funds, industrial incubator programs, federal procurement and foreign export assistance, and other technical assistance programs focused on their region's new and emerging industries.

As the role of the Development Districts has evolved so has the nature of its funding. While ARC once contributed almost 50% of all operating funds for the districts in Pennsylvania, today ARC's contribution is only 15%. Still, ARC remains the single largest source of funds. This is an indication of the diversity of funding sources that the districts have been able to access. Many districts now commonly obtain funds from as many as 20 different sources.

In Pennsylvania the evolution of the role of the Development Districts is clearly illustrated. Between 1976 and 1986, Pennsylvania's Local Development Districts used only about 42% of their ARC funds for community development and enterprise development. Since 1986, fully 75% of the district's ARC funds have been used for these purposes. Overall, ARC has provided almost $250,000,000 in non-highway funding to Pennsylvania. When you include highway funds the total ARC funding commitment to the Commonwealth has amounted to $685,000,000.

The EDA has provided another $520,000,000 in funds to the Commonwealth since its inception. Nearly half of this funding, $237,000,000 has been in the form of loan guarantees for expanding businesses. Another $65,000,000 has been loaned directly to businesses in the Commonwealth. Together, loans and loan guarantees comprise almost 60% of EDA's funding commitment to the Commonwealth.

While Pennsylvania's economic growth has surpassed growth in other comparable states in recent years, there still exist regions and communities with high unemployment or other characteristics of distress. The western half of the state continues to lag behind the east, and therefore has required a greater level of state and federal involvement in recent years.

A significant portion of both EDA's and ARC's funding in Pennsylvania have been directed toward the southwest portion of Pennsylvania, especially in the most recent years. Since it's inception, the EDA has clearly identified southwest Pennsylvania as a priority area. Furthermore, nearly 50% of Pennsylvania's EDA funding has been directed to this southwest region of the state. The ARC has also provided significant funding to southwestern Pennsylvania, since its inception. Since 1987, about 14% of Pennsylvania's ARC funding has gone to the southwestern part of the state.

In addition to the attention southwestern Pennsylvania has received from the EDA and ARC, the Casey Administration has also targeted this region for special attention. The Commonwealth has worked with local officials to develop a large number of Regional Opportunities projects to channel resources and funding to these distressed communities.

Regional Opportunities projects are designed to attract business development and investment to distressed communities and regions in the Commonwealth. Most projects are industrial park developments, but projects also include investment in major transportation linkages and water and sewer infrastructure.

As part of this new initiative, legislation passed in 1989 which established twin "Industrial Communities" programs to develop and redevelop properties in blighted industrial communities such as the "Steel Valleys" of southwestern Pennsylvania. This legislation provides for $10 million in

FIGURE A

GOVERNOR'S REGIONAL OPPORTUNITY INITIATIVE

JANUARY 1989 - FEBRUARY 1990

Projects Reviewed:	**114**
Active Strategic Projects:	**91**
Projects to Application Stage:	**59**
Projects with Applications Approved:	**51**
Total Applications Approved:	**53**
Total Investment:	**$120,335,000**
State Investment:	**$ 51,897,000**

revolving loan funds or grants to assist in modernizing and re-using old industrial buildings or sites. It also expands an existing program that provides multi-year grants to local governments to make old industrial sites suitable for new development. Once again, an important source of additional funding is the Appalachian Regional Commission, which has made available $1.5 million to the industrial communities loan program.

The Commonwealth, working in conjunction with county and regional officials, has invested hundreds of millions of dollars of public investment over the past three years to match private sector investments in distressed areas across the Commonwealth. This involvement has allowed the Commonwealth to simultaneously finance entire sets of strategic projects in targeted areas.

In the first year of the Regional Opportunity initiative, some of the statewide totals for project assistance are as follows:

o Projects Reviewed:	114
o Active Strategic Projects:	91
o Projects to Application Stage:	59
o Projects with Applications Approved	51
o Total Applications Approved:	53
o Total Investment:	$120,335,000
o State Investment:	$51,897,000

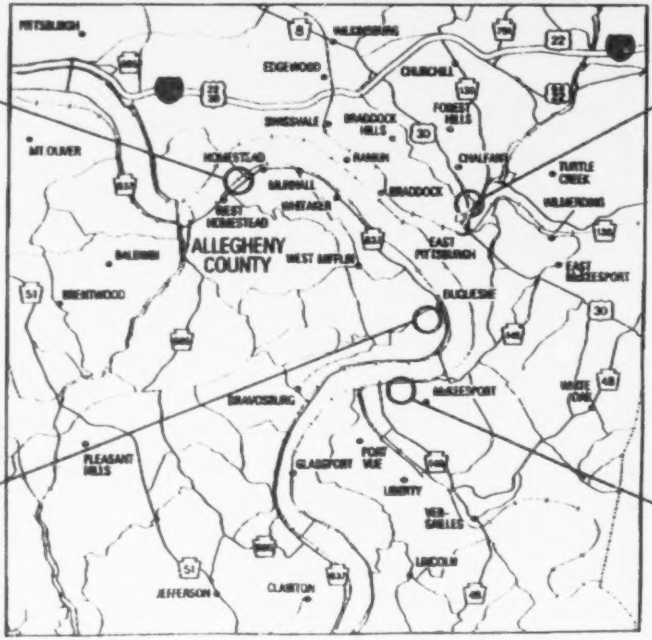
A large proportion of regional opportunies projects are located in southwestern Pennsylvania. The primary "target" areas are as follows:

FIGURE 8

STRATEGIC REDEVELOPMENT PROJECT
FOR THE MON–VALLEY

HOMESTEAD INDUSTRIAL PARK
$2,100,000

KEYSTONE COMMONS
$12,540,000


PITTSBURGH
WILKINSBURG
EDGEWOOD
CHURCHILL
FOREST HILLS
SWISSVALE
BRADDOCK HILLS
MT OLIVER
HOMESTEAD
RANKIN
CHALFANT
TURTLE CREEK
MUNHALL
BRADDOCK
WILMERDING
WEST HOMESTEAD
WHITAKER
ALLEGHENY COUNTY
BALDWIN
WEST MIFFLIN
EAST PITTSBURGH
EAST McKEESPORT
BRENTWOOD
DUQUESNE
McKEESPORT
WHITE OAK
DRAVOSBURG
PLEASANT HILLS
GLASSPORT
PORT VUE
LIBERTY
VERSAILLES
LINCOLN
JEFFERSON
CLAIRTON
8
22
30
51
48

DUQUESNE RIVERFRONT BUSINESS PARK
$3,750,000

McKEESPORT RIVERFRONT BUSINESS PARK
$11,668,000

P.6

Lower Mon Valley. This region encompasses a string of mill towns in Allegheny County, immediately south of Pittsburgh (See Figure B). The decline in the steel industry led to the loss of over 67,000 jobs in basic steel production in this area. Over the last three years, $20 million has been spent on the clearing and redevelopment of five former steel sites which occupy, in total, over 800 acres. In 1990, the Commonwealth plans to provide an additional $10 million to transform these vacant manufacturing sites into vibrant new business parks (See Figure C).

Mid-Mon Valley. This region, lying further south of Pittsburgh, includes portions of Allegheny, Westmoreland, Washington, and Fayette counties. Recovery in this area, also hard-hit by the steel industry's decline, has been hindered by its distance from both Pittsburgh and a viable North-South transportation system. Initiatives in this region have focused on providing the necessary transportation infrastructure to accommodate business growth.

Beaver Valley. Located to the northwest of Pittsburgh, this region is also experiencing economic hardship as a result of the decline in the steel industry. Four projects have received nearly $9 million for construction of highway access ramps, infrastructure improvements, building renovations, utilities, railway spurs and equipment. 1,330 new jobs are expected to result in the next three years from this investment.

Shenango Valley. The Shenango Valley, one hour to the north of Pittsburgh, is located in Mercer County. The closing of Westinghouse Corporation's transformer production facility led to the loss of 10,000 jobs in the county. Devastating tornadoes in May 1985 affected the industrial areas of Hermitage and Wheatland, destroying several businesses. The industrial areas in these towns were rebuilt through the joint efforts of the Economic Development Administration and state government. The Shenango Valley

FIGURE C

SITES FOR RE-USE

ORIGINAL USE	NEW SITES
USX Corporation's Homestead Works	Homestead Industrial Park (Park Development Corp.) Sandcastle Inc.
Westinghouse Corporation's East Pittsburgh Works	Keystone Commons
USX Corporation's Duquesne Works	Duquesne Riverfront Business Park
USX Corporation's National Works	McKeesport Riverfront Business Park
Copperweld Corporation's Glassport Plant	Glassport Industrial Center, Phase II
Westinghouse Air Brake Corporation's Wilmerding Plant	Westinghouse Valley Industrial Park

Regional Industrial Park project will take advantage of the region's access to two major interstate highways to create economic opportunities for the valley. Funds have been approved for the design and Phase I development of the park. Applications for a large number of smaller projects are pending.

The McKeesport Business Park project, located in the Lower Mon Valley, is just one example of a strategic project under the Regional Opportunity initiative. In October 1988, the Allegheny County Industrial Development Authority (ACIDA) purchased the 140-acre National Steel Works from USX for $1.5 million. Proceeds from the sale of unusable steel buildings for scrap will be used to cover the cost of acquisition and environmental clean-up at the site. The site will be redeveloped into a riverfront business park.

Aluglas, a manufacturer of aluminized paperboard, has already committed to locate manufacturing facilities at the National Steel Works site, and is projecting 367 new jobs within three years. To accommodate future development in the park, ACIDA has identified $18 million in improvements needed at the site. Improvements include site grading, upgrading and installation of access roads, water lines, sewer lines, renovations to existing buildings, and environmental clean-up.

A total of $6.7 million in state funds has already been approved to assist Aluglas in financing their plant location in McKeesport. Additional state assistance includes:

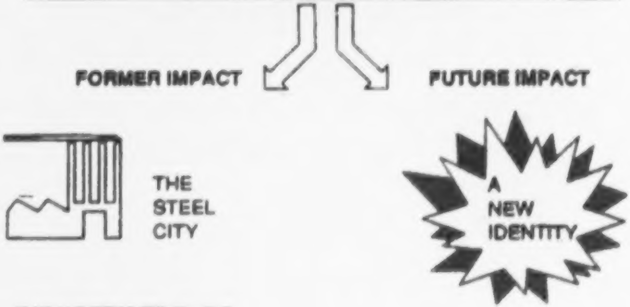
- o $3.5 million in redevelopment assistance from the Department of Community Affairs

- o $700,000 from the Department of Commerce's Industrial Communities Site Program

FIGURE D

A UNIQUE OPPORTUNITY

- SIX MAIN SITES
- RANGE: 9 - 350 ACRES
- TOTALS APPROXIMATELY 1000 ACRES
- ALL WITHIN 10 MILES
  OF DOWNTOWN PITTSBURGH
- PARCELS LARGELY PRE-ASSEMBLED



FORMER IMPACT

THE
STEEL
CITY

FUTURE IMPACT

A
NEW
IDENTITY

INDUSTRY TRENDS:

ADVANCED MATERIALS

ADVANCED MANUFACTURING

COMPUTER SOFTWARE

INTERNATIONAL HEADQUARTERS

- $400,000 in Business Infrastructure Development funds from the Department of Commerce

An additional $1 million is expected from the Economic Development Adminstration, although final approval for the project is pending.

The McKeesport project and the other strategic projects for the Mon Valley will likely help establish a new identity for the entire Pittsburgh region (See Figure D).

In addition to new institutional mechanisms, such as the Governor's Response Team and the Regional Opportunities initiative highlighted above, new and existing tools are also being targeted and focused on the Mon Valley and similarly distressed areas in southwest Pennsylvania and other regions in the state.

Industrial Resource Centers help manufacturers use processes and technologies needed to compete in today's economy, including integrating computers into the manufacturing process. Job centers and the new Joint Jobs Intitiative provide employment assistance to the unemployed, and to displaced workers in these areas.

These new programs, in conjunction with new funding for existing programs which have proven successful in distressed areas, have created an unprecedented pool of resources. The following discussion shows how existing resources are being integrated into the regional opportunities initiative to further enhance the success of these projects.

The Pennsylvania Infrastructure Investment Authority (PENNVEST) financed a $12.5 million overhaul of the Shenango Township Municipal Authority's sewer facilities in Mercer County. PENNVEST also provided $4 million in assistance to the Tri-Community Water and Sewer Authority of Indiana and Westmoreland Counties for similar upgrades to their sewer lines.

The Department of Environmental Resources has contributed resources for environmental clean-up of the region. One such project involved the removal of rusty chemical drums from the floodplain of the Youghiogheny River in Allegheny County, just upstream of the municipal drinking water intakes.

Transportation projects have channelled huge sums to development in the southwest region. Over $1.1 billion in road construction and improvement has been undertaken or is currently underway in the region. Construction of the Mon Valley/Fayette Expressway connects the Valley to Pittsburgh and encourages new development in once-distressed areas. Late in 1989, the Turnpike began construction of its first new toll road corridor in 30 years. This project is part of a four-year expansion program to construct new expressways in western Pennsylvania that are vital to its economic development.

Investment in high-technology has been another important aspect of the regional initiative. Recent investment includes over $18 million to transform the former J&L Steel site into a regional technology research and development park. The Advanced Technology Center at Carnegie-Mellon University received $17 million in state funding, and nearly $14 million was allocated to the Buhl Science Center, which is a national-caliber science facility.

Other investment in technology includes $1 million for upgrading of the Cray supercomputer at the University of Pittsburgh, and $300,000 for a feasibility study on linking downtown Pittsburgh and the Greater Pittsburgh Airport by a magnetic levitation train. The Ben Franklin Partnership provided research dollars that allowed the Suprex Corporation of Pittsburgh to develop a process called supercritical fluid extraction.

In the testimony above, I have attempted to discuss the value of the EDA and ARC programs to Pennsylvania as a whole and also to highlight recent Commonwealth efforts to assist southwestern Pennsylvania specifically--which also shows the utility of ARC and EDA project funds most recently in the special new Regional Opportunities initiative managed through my office.

To conclude this testimony, what I now would like to attempt is to provide some personal insights as to where we might all be heading--as southwestern Pennsylvania, other distressed regions in Pennsylvania, and other regions in other states almost certainly face even stiffer competition as we enter the 1990s. The need for revitalized ARC and EDA programs and (perhaps other federal initiatives) may be even greater as we meet new challenges from other regions and countries overseas, at the same time we are focusing more closely internally on new issues and challenges emerging in our existing distressed communities and regions.

As we enter the 1990s, all of the following have occurred and have received national news attention in just the past several months:

- o Lech Walesa visited and discussed Poland's emerging steps to move the country toward a market-oriented economy in the 1990s.

- o A Wall Street observer concluded that the collapse of the "junk bond" market may have removed the last barrier to a national economic downturn. The Labor Department has announced statistics which some economists take as early signs of such a downturn.

- o Several other East-European countries announced plans for movement toward market economies.

- o Several announcements were made by European officials concerning plans for the complete unification of the European Economic Community in 1992.

- A local official in Charleston, West Virginia requested financial assistance from the Soviet Union.

- A series of urban (and nonurban) communities expressed alarm at growing problems of drug-abuse and homelessness.

- Jack Kemp made a presentation to Congress explaining the need for Enterprise Zones and his strong support for the concept--to make distressed areas more competitive and reduce growing community and social problems.

- The President's new budget is announced with little or no support for ARC and EDA.

Different people may see different patterns in these events, some may see none at all. To at least this observer, there seems to be a pattern which echoes sentiments already encountered in our meetings with community leaders from the Steel Valleys of southwestern Pennsylvania and other distressed communities from across the state--as we have worked with them on strategic projects during the past year. These sentiments, simply stated, are that the world is once again rapidly changing in major ways, that these changes may bring yet more competition and pain then they have already experienced, and that they are not sure if Washington is being attentive--let alone reacting in a timely fashion.

It would seem that if the world does get even more competitive for our distressed regions, and if their local community and social problems continue to grow, and if even more regions fail to compete successfully, we may soon be in a situation in which government action may be called for on a scale which dwarfs the scale of the sixties and seventies. The next downturn in the business-cycle will likely be the trigger. It is only a question of exactly when it happens.

I believe the lessons of the last twenty-five years, stimulated by the ARC and EDA experiences, have taught us a lot about how to be prepared.

In a sense, learning to be prepared always, for economic change, itself may be one of the most important lessons we have learned. There are very few regions in our country today that should feel totally secure economically in entering the world of the 90s. Our regions that still rely heavily on basic commodities (e.g. coal, oil), or even "manufactured commodities" (e.g. basic steel, autos, apparel) will be under intense competition in the 90s. Even some of our higher value-added or "high technology" industries will likely be in a dogfight. For example, look at New England and Silicon Valley now compared to just a few years ago. All regions of our country should be prepared for economic change. Few are. States and localities cannot handle these phenomena alone. It is clearly a matter of federal policy, and these concerns are within the jurisdiction of this committee.

Where exactly are the vulnerable geographic regions? Besides being prepared for economic transition, what else have we learned? What would be the elements of an "ideal" economic development competitiveness program or initiative for our existing distressed areas and the new ones of the 1990s? Which of these elements are within the purview of ARC and EDA, and of this committee?

Complete answers to each of these questions lie beyond the scope and time available for this testimony. The Commonwealth is prepared to cooperate fully in any further, future inquiries of the Committee. Nevertheless, it may be possible today to at least outline some of the answers to these questions.

Where are the distressed or vulnerable regions? A simple, rough way to identify regions which should be special targets of public policy (and investment by ARC and EDA) because of their weak economic base is as follows:

- Identify the labor markets (usually counties) where the unemployment rate has been consistently higher than average.
- Overlay a mapping of communities in the labor markets with per capita incomes consistently lower than average. See where they "cluster."
- Identify which of these labor markets have relatively high concentrations of employment in "lagging" industries (e.g. 10% + in a manufacturing industry, 5% + in a nonmanufacturing industry).

This technique should help identify potential "hot spots."

This is roughly the technique we used in the Commonwealth's last strategic planning process. Although we had help from SRI International in our work, this data is generally available from federal sources. The new census is just around the corner. This will provide excellent data. If an analysis such as the one outlined above had been done, by the way, it would have shown that southwestern Pennsylvania was entering a precarious situation as early as the first half of the 1970s--when most people in this region felt very secure about their future.

What would be elements of an "ideal" economic development competitiveness program or initiative?--Based upon the Pennsylvania experience of the past two decades, a range of critical elements can be suggested, as follows:

- Identification of competitively vulnerable geographic areas.
- Identification of major public investment opportunities in or near such areas.
- Use of public works and transportation assistance programs as a base for stimulating new regional investment.
- Use of special technical assistance to new or emerging industries (companies).
- Use new or existing regional organizations (e.g. LDDs/EDDs) as one-stop "clearinghouse" to network with the other service delivery organizations in the region.
- Use such networks and other mechanisms to encourage regional manufacturers in compatible industries to share and apply technologies, and to improve quality and production--to improve their overall competitiveness in the international marketplace.
- Linking of new jobs generated through economic development programs to the disadvantaged people assisted in the job learning, counseling, and public assistance programs.

FIGURE E

ELEMENT OF AN IDEAL REGIONAL COMPETITIVENESS PROGRAM

- IDENTIFY VULNERABLE GEOGRAPHIC REGIONS
- IDENTIFY REGIONAL OPPORTUNITIES
- USE PUBLIC WORKS AND TRANSPORTATION PROJECT INVESTMENTS
- PROVIDE TECHNICAL ASSISTANCE TO NEW AND EMERGING INDUSTRIES
- ESTABLISH A ONE-STOP CLEARINGHOUSE FUNCTION FOR BUSINESS ASSISTANCE
- ENCOURAGE FLEXIBLE MANUFACTURING NETWORKS
- LINK PEOPLE WITH JOBS

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It is very important to view the full set of elements together. In this way, each could reinforce and build on the other. Applied to a given distressed region in this way, the impact of the total package of assistance would be multiplied way beyond the sum of each element applied separately.

Nevertheless, it may be important for the purpose of this testimony to amplify a bit more on each element--and why each one may be important and do-able.

Identifying Geographic Regions--Whether the technique used is the one identified above or some other valid approach is not so important. Doing some type of analysis is very important. While there are powerful and understandable forces of resistance to such analysis, the simple fact remains that it is not possible to hit targets which are totally undefined.

Identifying Regional Opportunities--There are many ways to accomplish this. For example, the Committee staff could simply review and plot the major federal public works and transportation project investments made in the past several years and already planned for the next several years. Overlaying the plot of these major projects onto the map of competitively weak regions and communities would be a quick way of looking for the major public works and public transportation investments which provide the geographic building blocks for follow-on public program investments by federal, state and local public works programs. These follow-on projects such as highway interchanges, airports, regional industrial parks, bridges, etc. in or near the distressed communities then represent real Regional Opportunities to these distressed places in a given region. There is nothing really new here. These concepts go back to the origins of ARC and EDA, and for that matter, the Marshall Plan after World War II.

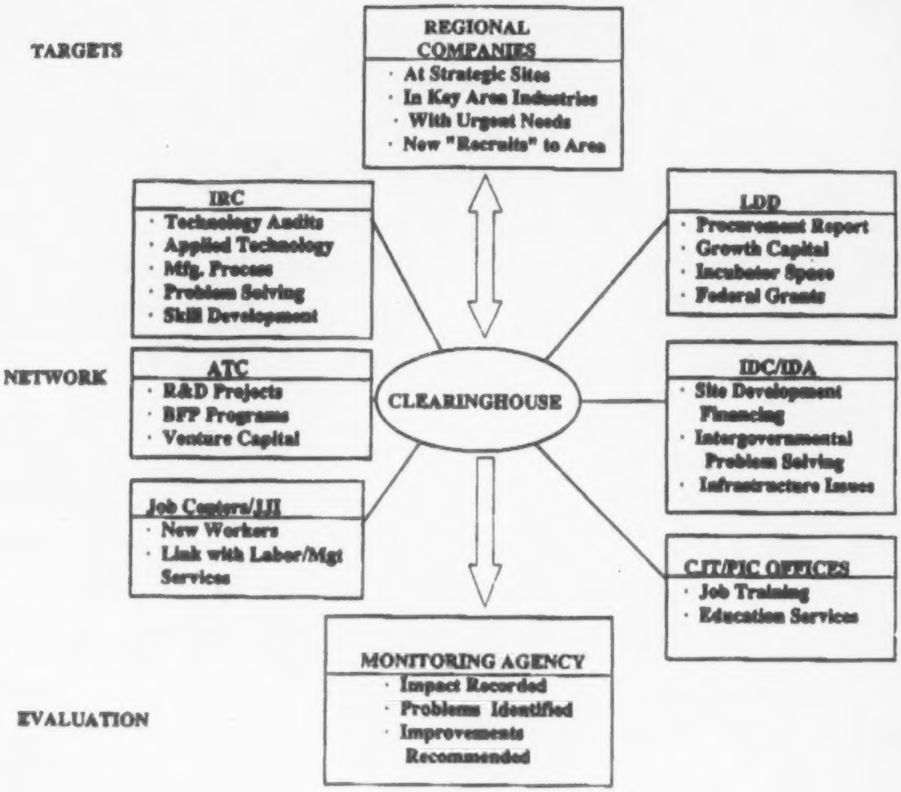
Public Works and Transportation Projects--Such projects provide the bedrock public investment which create the potential for regional opportunity projects or the projects themselves. For example, the recent massive state and federal investments in southwestern Pennsylvania in major highways, in the international airport, and in other transportation facilities is a key part of the underlying rationale for the new investment in the still strategically located former steel plant sites in southwestern Pennsylvania as genuine Regional Opportunities.

Technical Assistance to New and Emerging Industries--There is much good research now which indicates that most new job growth will come from within a given region--even those that may be distressed. Even though distressed areas, by definition, have fewer companies which have good growth potential, they do exist in such areas. Funding these special companies (old or new) and helping to nurture them with whatever services the region's weakened private sector cannot or is unable to deliver may be one of the most important new ways of underwriting new regional competitiveness into the future. This is a main reason why Pennsylvania has become such a leader in its many innovative programs in this area. For example, through our established Ben Franklin Partnership or through our new Industrial Resource Centers, or through our Development Districts, Pennsylvania's regions now possess a technical assistance toolkit which can help meet virtually every "factor of production" need a new or emerging company may find useful to be highly competitive.

One-stop Clearinghouse Function for Business Assistance--Although this new function may not be easy to implement, it is conceptually quite simple. It would provide any region's companies a way of quickly and effectively receiving the full range of technical assistance services available in the region by contacting any one service provider (See Figure F). New, relatively expensive computer technology may be very useful in achieving the "networking" necessary to make this work.

FIGURE F

TARGETING TECHNICAL ASSISTANCE VIA NETWORKING


TARGETS
REGIONAL COMPANIES
· At Strategic Sites
· In Key Area Industries
· With Urgent Needs
· New "Recruits" to Area
IRC
· Technology Audits
· Applied Technology
· Mfg. Process
· Problem Solving
· Skill Development
LDD
· Procurement Report
· Growth Capital
· Incubator Space
· Federal Grants
NETWORK
ATC
· R&D Projects
· BFP Programs
· Venture Capital
CLEARINGHOUSE
IDC/IDA
· Site Development Financing
· Intergovernmental Problem Solving
· Infrastructure Issues
Job Centers/LII
· New Workers
· Link with Labor/Mgt Services
CIT/PIC OFFICES
· Job Training
· Education Services
MONITORING AGENCY
· Impact Recorded
· Problems Identified
· Improvements Recommended
EVALUATION

Encouraging "Flexible Manufacturing Networks--Over the past several years, careful examination of key regions of some of our countries overseas competitors has provided new insights of how we might be able to regain our competitive edge in many of our own regions. In competing regions overseas, and in some areas throughout the country--including several in Pennsylvania, groups of manufacturing companies in compatible industries have agreed to join together forming "flexible manufacturing networks" which have resulted in often dramatic increases or turnarounds in productivity and competitiveness to the cooperating companies. In the older overseas examples, this often has led to unprecedented turnarounds in the economies of their entire region.

In Pennsylvania, demonstration projects in a number of areas is now under way through our MAIN initiative. Linking these producing company networks with our business assistance networks could naturally and effectively strengthen the overall effort--and perhaps provide a useful model to many other parts of the country.

Linking People with Jobs--If all the elements cited above are in place any given state or region would have a powerful economic development system acting as a self-contained engine for helping to generate new, good jobs well into the future. In Pennsylvania, a complementary system is being put in place to reach and comprehensively assist our disadvantaged who most need and want such new employment opportunities. Over the years, the institutional gap between the economic development and the job training or public assistance programming has received much debate. However, if this link can be achieved, few would debate its desirability.

In sum, taken together, the availability and application of the full set of these program elements in a given hard-hit region would represent a

"Marshall Plan" approach to help the region rebuild its economy and become more competitive in the future.

These elements are not "pie-in-the-sky." As discussed earlier in this testimony, each is already in place or is emerging in Pennsylvania through various programs or initiatives. They are already being brought to bear on southwestern Pennsylvania and other regions in the Commonwealth.

Which of these elements are within the purview of ARC and EDA, and of this Committee?--Determining exactly the jurisdiction among congressional committees on complex issues is probably as much an art in Washington as it is in Harrisburg. Therefore, I will confine my remarks to some facts which may be helpful.

There are already in existence federal program counterparts to many of the elements outlined above, including ARC and EDA's own legislated responsibilities. While some are clearly outside EDA's existing legislated scope, almost all are within ARC's. Several years ago the Commission passed a major new resolution which has led to guidelines which make it much easier to do projects related to several of these elements, especially the business technical assistance activities. A number of other states and Local Development Districts in addition to those in Pennsylvania already have taken advantage of these changes. (The problem with using the Commission to support the full range of policy elements has not been one of legislated scope. It has been more simply a lack of adequate financial resources to meet the need.)

Furthermore, if one examines the federal reauthorization legislation which has been pending since 1981, its scope does seem to cover all the above elements--depending on how federal program guidelines would ultimately be written and interpreted.

In general, it would seem that the further down the list of elements one reads, the harder it is to determine where congressional committee jurisdictional lines end. It seems that the notion of investing in Regional Opportunity projects to benefit distressed or competitively weak areas is virtually identical to the notions underlying the federal Enterprise Zone legislation--which is currently another jurisdiction. Nevertheless, it is also true that the existing legislation of both EDA and ARC already specify even mandate targeting their program assistance to geographically defined areas of distress.

As the above questions have been addressed, hopefully in a satisfactory and useful manner, it is time to close this testimony with a few simple and basic suggestions for Committee action and the reasons why--as follows:

Act to increase funding for both ARC and EDA--Even with their already tight targeting of funds, project "demand" is far outstripping their supply of funds. For example, in Pennsylvania this year only about 10-20% of the ARC-eligible potential projects will be funded this year. The LDDs/EDDs are clearly having difficulty in conducting their mission effectively. Their base of support appears to be weakening.

Consider revised reauthorization legislation--New innovations and initiatives are straining the existing legislation of both the EDA and ARC programs in geographic targeting and in developing business assistance initiatives, for example. Greater scope and flexibility is needed to deal with the changing times and issues--and to dovetail with new state programs and innovations. Federal-State-Local coordination issues are growing and require attention.

Promote Congressional Committee & Executive Branch coordination--The competitiveness issue may be as large an issue as we will face in the 1990s. It should be addressed head-on and soon--by both branches trying to achieve accommodation.

I thank you for the opportunity of providing this testimony. It has been for me a privilege and an honor. I hope it proves of some use as you deal with these difficult economic development issues and challenges. I believe these challenges can be met and met by the leaders and people at all levels who have already learned to work together in these changing times. In the Navy, I became especially fond of the following quotation from World War II:

> "There are no great men. There are only great times
> which ordinary men, by circumstance, are forced to meet.
>
> --W. F. "Bull" Halsey

Mr. **Savage**. Now, let me call Mr. Nicholas P. Molnar. Mr. Molnar is President of District 2 of United Mine Workers of America. I would like to welcome you, Mr. Molnar.

Let me say that I regret that I am not going to be able to stay for your entire testimony. It is not out of any lack of interest about employees of the mine union you are representing, for we do have your written testimony, which we will put into the record and which will be read by those concerned in Congress very carefully. In addition to my having a prior engagement, there is also some concern about worsening flying conditions. So I am going to turn the Chair over to my good colleague, your Congressman Joe Kolter.

Mr. **Molnar**. I want to thank you for coming into our area, sir. We appreciate it, and thank you for hearing us.

Mr. **Savage**. Thank you.

Mr. **Kolter**. Go ahead, Mr. Molnar.

STATEMENT OF NICKOLAS P. MOLNAR, PRESIDENT, DISTRICT 2, UNITED MINE WORKERS OF AMERICA, ACCOMPANIED BY FRANK CAMPBELL, PEER COUNSELOR, DISLOCATED MINERS PROGRAM, UNITED MINE WORKERS OF AMERICA

Mr. **Molnar**. Thank you, Congressman Kolter. I sit here this morning as I have over the past decade, completely frustrated and disillusioned by what has been happening to the citizens of the area I represent.

I have witnessed permanent layoffs of a few men to as many as 1,000 in a single day. I have participated in numerous meetings set up to address the needs of the unemployed and the underemployed, and have actively participated in establishing the Dislocated Miners Program, and food banks to aid these people in very trying times.

I personally know individuals who have committed or attempted to commit suicide as a means of ending their frustrations from being out of work.

At times, the callous disregard of corporate officers has driven me to hate them and what they represent. For one instance with the Department of Labor and industry last year, one of the highest ranking officers in a major coal company in this area stated, "Miners should have the opportunity to know in advance of upcoming layoffs." At that time, everyone in attendance at that meeting agreed with him. The very next day, his corporation layed off 1,000 people in various divisions.

That is enough of frustration; this meeting is to address the needs of the future.

When we speak of the future in the mining industry, everyone is afraid, and for good reason. To address the future, we must address the stability of the coal market today and its problems. One major problem is the Clean Air Act, which just has been introduced, S. 1630. This lone piece of legislation, if passed in its present form, will cost an estimated 4,000 mining jobs in this area, western Pennsylvania. This piece of legislation would totally destroy what is left of the mining industry in the Appalachian Region with the loss of 40,000 more jobs.

Gentlemen, ARC or any other commission cannot respond to the tragedy that will happen this year. The economic impact will be so severe, not only to our area, but to all of Appalachia, that we will never recover. I am totally shocked at the indifference to the issue shown by our local, State and Federal officials.

The corporations that own the coal in this area are indifferent because they are notorious for the fact that their capital is fluid. If they get a return on their dollar at a sufficient rate, they will invest that dollar elsewhere, and leave the economic devastation behind them.

The major utilities who use our product, coal, will switch to more expensive forms of fuel, oil and natural gas, and pass the higher cost on to what is left of the devastated citizenry of our area.

Gentlemen, we must first deal with the present problem of our area. I have enclosed a partial listing of the laid-off miners in our area, at an estimated loss of revenue of $220 million a year over the past decade. This does not include the 1,000 workers who were laid off in the latter part of 1989.

I also have some recommendations for what we need to do. The past decade will be remembered for a mounting erosion to jobs in the coal industry, and the closing of major manufacturing plants of southwestern Pennsylvania. Faced with the prospect of an occurrence similar to the downfall of steel in the Mon Valley, displaced workers are looking for answers and methods of escaping the dilemma of finding jobs in an area of high employment and a severely depressed job market. The years of employment in the coal mining industry have enabled the workers to gain a multitude of skills, but none of which are entry-level skills transferrable to other industries in the area. Being a labor surplus area, this required the dislocated worker to look for other avenues to establish themselves in a work environment once again.

Many attended workshops conducted by the Dislocated Miners Program, preparing them for classroom situations enabling them to make career changes. Many were referred to the Manpower organizations and the Job Training Partnership Act [JTPA] through the efforts of the Dislocated Miner's Peer Counselors. Many of the pressures and burdens of losing their jobs were relieved through the establishment of the Dislocated Miners Peer Counselor Program. Funding for people searching for classroom opportunities to make career changes were sparse, to say the least, resulting in many of the dislocated workers being turned away.

The other alternative for the solution of this problem was to provide jobs, keeping in mind, these men and women are wage earners with families, a mortgage, car payment, children in college and in need of a benefit package that includes adequate family health care. These requirements rule out most local jobs paying minimum wage with little or no benefits. Coal being the largest employer in the area, and the second largest employer being a Stated-funded university, indicates the diversification of industry in the local area did not provide many opportunities to absorb the personnel involved in these massive layoffs.

To entice industry into this area, we must avail them adequate fresh water and sewage tap-ins, access to a major four-lane highway system, and other transportation systems available for them to move their commodities. The rail system, bridges, rivers, locks, dams and airport facilities must be scrutinized to make our area appealing to prospective employers. Local, State and Federal dollars must be directed to the infrastructure in western Pennsylvania, thus enabling a tentative employer the opportunity to take advantage of a qualified, capable and presently-in-place workforce. The time element is very crucial to people who are trying to survive their dilemma without having to relocate to an area of adequate employment. If people are required to relocate, our numbers are reduced, our tax bases are weakened, forcing a larger burden on those who remain. Then reapportionment looks us in the eye; soon, we will have no representation in Washington from the east.

One does not have to be an expert to recognize the downward trend industry which the working people of western Pennsylvania have endured in the last 10 years. There has been a large expenditure of time and money toward the resolution of this problem, with no indication of the problem being solved. The nomadic characteristics of industry with the good-paying jobs and decent benefit packages is mystifying to a worker who has given 15 years of faithful service only to be rewarded with a layoff slip and a dislocated worker status because an employer finds a cheaper labor market in the south or overseas.

We no longer deal with local companies, but with multinational corporations that have little or no concerns about workers or the local area, with the margin of profit being the main point of interest. In order to turn this thing around, we must first get our country back, then educate the workforce to the point that we can compete with any industry or country in the world. We must establish programs to bring our industry back to the United States and give our labor force a chance to establish themselves as the best labor force in the world. We must impress upon industry that we have the best workforce in the world, and not the cheapest. We accomplished this task during our war efforts and we can do it again. For we are definitely at war again; this time against unemployment, poverty, homelessness and respect in the world marketplace. Thank you.

Mr. KOLTER. Mr. Molnar, thank you very kindly for your testimony here. Chairman Savage would like to ask some questions before he leaves here. Mr. Chairman.

Mr. SAVAGE. Yes. I was just going to listen to your first few sentences, and then leave. But I could not tear myself away from listening to the plight that you described so well. I am just very concerned about the problems that you describe. I cannot stay any longer, but I can assure you that our committee will be pushing as best we can to keep EDA and ARC in place, and move forward, targeted toward the kinds of problems that you described.

I gathered that you heard our previous witness who pointed out the need for economic diversity in this area to help relieve some of the structural economic problems, and that is where EDA will come into play.

Mr. MOLNAR. Yes, sir. I understand that we became very dependent on a very limited market; it was not through any fault of our own. We developed a resource that we had in this area. Within the past 10 years, that resource is no longer needed; and we were burned really badly.

Mr. SAVAGE. Let me say—I cannot say that I speak for a majority of Congress—but there are some of us there who are fully committed to alleviating the conditions under which you presently suffer.

Mr. MOLNAR. Sir, S. 1630, which will be coming to the House, that piece of legislation will ruin what is left of the employment we have in this area for the mine workers. The problem that I see with it is that everybody has gotten on an environmental kick, and they feel that the mine workers and the power plant owners are not conscious of the fact of hazardous acid rain. We want clean air; we want clean air. We are sportsmen; we are fishermen. We live in this community. We also want that clean water and clean air without the loss of jobs in our communities. And that can be accomplished with technology that is sanitary.

Mr. SAVAGE. Let me thank you and let me thank Dr. Welty and Dr. Stacy for their time, arrangements and hospitality here. As for the witnesses that I have heard thus far, it has been a very enlightening and worthwhile experience. Thank you, Indiana, Pennsylvania, and Congressman Kolter.

Mr. KOLTER [presiding]. Thank you, Gus.

[Applause.]

The reason that we are behind time is the fact that the first panel took about 90 minutes, and we had allotted 20 minutes per panel, thinking that we would be out of here by 2:00 this afternoon. But, blame the first panel and blame this committee for the interest that was aroused.

But, you know, we were having lunch here when the pilot called, indicating that the weather conditions are changing. Now, they flew here from Washington in a small plane, a seven-passenger. And you know, that is a mighty small plane; with bad weather and bad wind conditions, they have got to hurry home. That is why they are parting.

Mr. Molnar, I just have one question. I am going to ask you this question; and I am going to ask Ron Painter when he gets here; my good friend, Ron, who is the Chief Administrative Officer of the Tri-County Private Industry Council. It is a question that has bothered me because I hear conflicting reports.

I know the unemployed are most dependent upon Title III monies, and I would like to hear for the record now, so that we can refer this to Washington. Can you help me clear up the conflicting information about Title III money; what it is used for; why we are running out of money in Title III? That is what I have heard; have you heard that also?

Mr. MOLNAR. Congressman Kolter, can I ask your indulgence? When this Dislocated Miners Program was established, I appointed what we call a peer counselor who is responsible to me and the district for working this Dislocated Miners Program. He knows the ins and outs of the funding program. And I would like to ask your indulgence, if he could speak on that issue. His name is Frank Campbell.

Mr. **Kolter**. Mr. Campbell, will you please take the witness stand here, and give us your name and your title so that we have it for the record.

Mr. **Campbell**. I am Frank Campbell. I am a Peer Counselor with the Dislocated Miners Program from District 2.

Since the program's inception back in January of 1989, we have approaching 500 people come to us for some sort of assistance, either through the classroom activities or through OJT, which is found through some of the local employers around, or just outright funding. This was done through funding that was set up through the Dislocated Miners Program, which was Title III money set aside for miners. This in no way limited the personnel that we dealt with.

Anyone who was a dislocated worker could walk into the office and we could counsel them on the avenues to take to rid themselves of their present woes. The only thing that we could not do was find any classroom funding for these people outside mining.

The funding itself is handled through Job Training Partnership Act. The managers are the local SDAs, locally Tri-County Manpower. We deal with the entire twenty-county area. We utilize personnel from the SDAs from southern Allegheny, the northwestern regional office, the Fayette-Westmoreland office, Johnstown. The funding is all routed through those people.

Mr. **Kolter**. We are talking about monies coming from the United States Department of Labor——

Mr. **Campbell**. Yes, sir; this is——

Mr. **Kolter** [continuing]. To the Commonwealth of Pennsylvania.

Mr. **Campbell** [continuing]. Those funds, filter down through the PA Department of Labor & Industry to our program. Those funds have been utilized, or committed to personnel who are presently in a program, of which there is approximately 150 people still remaining in the program today. Each day, we have people inquiring as to the availability of funds for classroom situations.

Since last August, the funds have been practically depleted. Since that time, I have had to pacify people rather than to serve them. This goes against my grain completely. We look for ways out. And the main thing now is that a lot of them have utilized their unemployment compensation benefits, there are people who are looking at our program today that never gave us a second glance before.

So, we want to more than touch the tip of the iceberg as far as the requirement that is out there. Just as recently as last week, we had 33 more people laid off. There is a possibility of more in the very near future. So, this funding is our only way out. We have no other avenues to look at. That is about all I have to say.

Mr. **Kolter**. Well, you know, it seems to me that we could contact Governor Casey because he has the ability for set-aside money. So we can write a letter to him; I think he initiated that, did he not—set-asides for this program?

Mr. **Molnar**. Yes; that was the initial setup. Is that working now, too?

Mr. **Campbell**. Yes.

Mr. **Molnar**. Okay. Initially, there was a block of money set aside for the Dislocated Miners Program. The problem with it is that that money is gone; that is what Frank is trying to tell you. I believe next Thursday is the cutoff date. That block of money will be gone under the Title III funding. There is other Title III money out there; but it is not for the dislocated miners; and SDAs are reluctant to give up that money because they use it for other programs. And we have a program here that is working, and there is other Title III money that is available that we cannot seem to get at.

Mr. **Kolter**. So, what you are telling me, then, is the fact that your problem is also Ron's problem, too, because he does not have the ability to transmit funds he should be transmitting.

Mr. **Molnar**. When this program was set up, Ron had to take other money out of his other Title III funding—I believe that is how it worked—and kick it into the Dislocated Miners Program. Because of the time lag, it took them probably about three or four months to get the program into gear. In the meantime, we were sitting out there with 1,000 people out in the street looking for job training and work. We were sitting there, trying to tell them, "Look, the money's coming, the money's coming." Finally, Ron started taking out money, and the other SDAs started taking out money out of other Title XXIs. His Title III program went to $170,000 in hock to the Dislocated Miners Program. And we have been trying to juggle the books ever since, and try to keep these people in job training, which they rightly deserve.

It is something they are entitled to, for God's sake. We are trying to fill the void. But in the meantime, we lost a whole group of people out there because for hiatus period of three months there, people were saying, "Well, you are running this program; why can't we get into it?" We told them, "Because the funding is not down yet."

Mr. **Kolter**. What you are telling me is interesting because when we in Congress try to divulge this information to other members of other parts of the nation, they do not believe us or they do not want to believe it. And it is imperative, therefore, that we have this on record as we now this afternoon. Your testimony now and Mr. Painter's later on will certainly be placed in every Congressman's hand to show the need—and the immediate need—for assistance. So, I thank both of you gentlemen for coming here this afternoon. It has been enlightening to me and, again, your information will be used. Quite frankly, it is going to be used; it is going to be placed in the hands of every Member of Congress.

Mr. **Molnar**. And thank you, sir, for the time.

Mr. **Kolter**. You are welcome.

[The list of laid-off miners referred to in Mr. Molnar's statement follows:]

			No. of Layoffs
Mark Mining,Inc	Somerset	1982	40
Grove #5	"	1982	30
Grove #3	"	1982	200
Penn Pocahontas	"	1979	85
Solar Fuel #5	"	1981	Non Union
Solar Fuel #7	"	1981	"
Solar Fuel #9	"	1981	"
Solar Fuel #10	"	1981	"
Hyisota Fuel	"	1982	65
Reitz Coal #23	"	1982	150
Reitz Coal #21	"	1979	30
Reitz Coal #22	"	1982	30
Reitz Coal #24	"	1982	200
Jandy Coal	"	1979	150
Longwall Mining	"	1982	90
Laurel Mine	"	1982	225
Lady Jane	"	1981	350
Island Creek Byrd #2	"	1979	375
Island Creek Byrd #3	"	1979	375
Barnes & Tucker 24B&C	Cambria	1982	see below
Barnes & Tucker # 20	"	1982	see below
B&T Cleaning Plants	"	1982	950
Manor Coal	Indiana	1979	30
Valley Coal Mardis Mine	"	1981	12
Valley Coal #12	"	1981	10
Harmony Mining	Cambria	1982	70
Associated Drilling	"	1982	41
Bethlehem #31	"	1979	300
" #32	"	1979	300
" #38	"	1979	70
" #73	"	1979	68
" #77	"	1979	150
Stanford Coal Dixon run	Indiana	1982	7
Mears Enterprizes # 5	"	1981	Non Union
R&P Coal Co O'Donnel #3	"	1987	60
Inland Steel Corp	Cambria	1984	47
Carpentertown Coal & C	Armstrong	1987	130
Double D Coal, Inc	"	non union	5
Florence Mining # 1	Indiana	1988	632
Greenwich Collieries	"	1989	404
Helvetia Lucerne 6	"	1988	300
Iselin Preparation Plant	"	1988	12
Kent Coal Co	"	1989	12
Keystone Urling 2	"	1989	130
Hawk Contracting Inc	Armstrong	1981	20
N/A Conemaugh #1	Indiana	1981	130

			No. of Layoffs
Cairnbrook Coal	Somerset	1979	25
Coal Utilities Corp	"	non union	8
Eastern Assoc. Coal	Cambria	1978	200
GMK	"	1979	20
Nicholson Run Coal	Indiana	non union	30
Old Home Manor, Inc	Indiana	1981	30
Roag-Meehan	Somerset	1980	35
Tesone Coal Co	"	1978	18
Universal Minerals	"	1979	50
Apollo Corp	Armstrong	1981	20
Armstrong Energy Serv	"	1980	15
Doe Valley Coal Co	Somerset	1977	40
Glory Coal Co	Indiana	1977	45
G.M.&W Grove 1	Somerset	1984	- 225
Beth Energy #78	Cambria	1987	150
			7,334

$220 MILLION PER YEAR IN LOST WAGES

Mr. Kolter. The next witness will be Ron Painter. Ron is the Chief Administrative Officer of the Tri-County PIC Program. Ron is an old friend.

STATEMENT OF RONALD D. PAINTER, CHIEF ADMINISTRATIVE OFFICER, TRI-COUNTY PRIVATE INDUSTRY COUNCIL, INC.

Mr. Painter. Yes; thank you very much, Congressman. It is a pleasure to be here and I appreciate the opportunity to testify.

I will very briefly summarize the written remarks that I have submitted to the subcommittee, and would like to divert to some other testimony, if that is all right with you——

Mr. Kolter. Quite.

Mr. Painter [continuing]. And would certainly entertain any questions you may have.

I think that part of what I want to stress today is that this service delivery area is one of over 600 across the nation implementing P.L. 97-300. Private industry counseling in cooperation with nine county commissioners believes very strongly that JTPA is an integral partner with economic development. To that end, over the last five years, we have committed roughly $400,000 to economic development organizations across the three counties that we cover, which are Butler, Armstrong and Indiana. In my testimony, there is a list of those agencies with whom we work, and who at one time or another or currently, we have funded for employment-generating or economic development activities.

Our support for economic development in the three counties this fiscal year amounts to approximately $120,000 for projects operating in all three counties. The other item that I want to point out with regard to employment-generating activities is that we believe that this is a very vital tool; it is necessary in the three counties that we represent. Yet, employment-generating activities are specifically targeted in the JTPA amendments of 1989 for elimination. Congress is attempting to eliminate employment-generating as an allowable expense for service delivery areas. I would very strenuously object to that, and ask that you take the message back to Washington that $120,000 in the great scheme of things may not be a great deal of money; however, it is $120,000 that economic development agencies in three counties will need to replace, come July 1st. And in the zero sum game that, unfortunately, you as well as we are caught up in, $120,000 is a lot of money to try and recoup.

The other thing that I want to point out that will lead me into, I guess, some off-the-cuff testimony is that Tri-County also believes very strongly in on-the-job training. It is the largest component of our jobs program; it always has been since Tri-County was created in 1974. This fiscal year, to date, we have reimbursed area employers close to $870,000 for the extraordinary expense of training new employees to bring them up to productivity levels sufficient to meet company needs. That $870,000 represents one-half of the gross wages. The tax revenues generated by the other 50 percent of those wages amounts to over $150,000. If we take even the conservative estimate that direct wages turn over 4.5 times in an economy, the effect of that $870,000 is obvious; it is over $2.5 million in direct benefit to the local economy.

On-the-job training and JTPA are doing their job, given all the myriad of regulations that JTPA falls under, as a result of the so-called "crimes of CETA." Nearly 700 pages of regulation between the Federal and State Governments govern this program.

I want to point out that the unemployment numbers for Indiana County appear to be coming down. And very often when Federal dollars are appropriated, they are appropriated on the basis that nearly one-third is predicated on the unemployment numbers. However, there are two things about those statistics that I would like to point out.

First of all the, civilian labor force in Indiana County in December of 1988 amount to 35,200. That civilian labor force today amounts to 34,800. So, there has been a drop in the number of persons who are in what is considered to be the number of persons in the civilian labor force in Indiana County.

How does one become involved in the labor force? The Reagan administration changed the way we account for unemployment numbers by including military personnel in the general civilian population, as well as redirecting how many hours an individual had to work in order to qualify as employed or unemployed. As Nick and Frank pointed out, there are many miners holding on simply through UI benefits and through part-time jobs. They are not reflected in the unemployment numbers, although they may be appreciated in the broader context of the problem.

Finally, I point out, as you and I have spoken many times, Congressman, of the top 25 employment opportunities in this region, five, or 20 percent of the companies, are directly related to the coal industry or coal companies themselves. The impact of what is happening to the Pennsylvania coal fields, I do not think, will be known for years and years to come.

Now, in concluding my remarks, I would point out two numbers. It would be natural to assume that a majority of the people who are unemployed come from the 25- to 44-year-old age group, representing the people in the prime of their earning power potential. Yet, the number that disturbs me the most, and the people that I feel for deeply, are the people who are ages 45 to 64, those persons who right now have to be building that nest egg to supplement Social Security, and at this point in time, probably the bankruptcy of their pension funds. There are over 25 percent of the people in those unemployment numbers represented by that age group. That could be a very serious consequence to myself, to anyone currently employed or expected to be employed over the next 10 to 20 years, because people in that category might need State and Federal dollars in order to support their medical needs and their nursing care needs as they reach their senior years. That is merely a tertiary effect of the unemployment numbers that generally we do not look at.

Again, I wish to thank the committee, specifically yourself, Congressman Kolter, and your staff, for allowing me the opportunity to testify. And I would be happy to answer any questions that you might have.

Mr. **Kolter**. Well, Ron, thank you; thank you very much. Again, it is imperative that we do ask some questions here because everything that is recorded here today is picked up for the record, and this is a record that we want to take down to Washington to alert them to our problems, problems that are pertinent to Indiana County and to the Fourth Congressional District.

You were quoting some statistics there, Ron. Do you have any statistics indicating, perhaps, any people that are leaving this part of the woods, heading elsewhere, moving out of Indiana County, out of Beaver County, out of Butler County?

Mr. PAINTER. I do not have any hard or direct statistics; however, one could certainly argue that the part of the shrinkage in the civilian labor force is due to relocation to other parts of the Commonwealth and to other parts of the nation as well.

Mr. KOLTER. Right. So, we see a shrinkage there. In the meantime, we see an increasing number of unemployed miners. So, let us reflect on this for a few moments for the record.

I had mentioned to Mr. Molnar the fact that we have received a number of inquiries in our Indiana office relative to Title III money. And I can understand now how you do feel like a magician sometimes, moving funds around like you have to. It is very difficult. Ron, with the fact that perhaps more miners may be laid off in the immediate future or the near future, what do you think we can do to help them with retraining, getting them to the point where they can become tax-paying citizens again?

Mr. PAINTER. Well, I think the issue of training and retraining is not an issue that can be taken by itself and addressed as a standalone solution. If I may back up, part of the problem with regard to Title III funds is a game that the accountants in all bureaucracies play; and that is a game of expenditures versus obligations. Just as any business person, when he or she enters into a contract for $10,000 to pay for a service—they have entered into that contract; it is a binding legal obligation. However, when it comes to expenditures and when the Department of Labor testifies in front of you, that has to be translated into cash: What was the cash expenditure?

Well, that cash expenditure may only be $5,000 because the service provider has only billed me one invoice for 50 percent of the training. They have not sent me the second invoice, and yet, that second invoice must be recognized as a legitimate potential payment. I cannot obligate beyond the monies that I have. So, quite frequently, expenditures will lag a great deal behind obligations. Currently, for example, under my regular Title II funds, I am obligated to about $1,100,000, yet my expenditures are roughly $400,000. By the end of the fiscal year, that will probably catch up pretty close as classroom bills become due.

It is always a game that JTPA administrators play. You know, how far over budget can I go before I get caught? As Nick mentioned, we have tried as best we can to maneuver and manipulate monies so that we can answer as much of the need as we can. Unfortunately, part of that answer lies in that JTPA was created to eliminate some of the abuse of CETA, and it has become a very tight financially controled program. So some of the risk taking may from time to time seem to be called for.

The other part of that formula has to be public water, public sewage projects. A project that is very close to my heart is one that is close to you, and that is the high-speed rail system. That high-speed rail system is going to require steel rail as part of its journey traverses Pennsylvania, Ohio and the eastern seaboard. And that rail is going to take rail ties, and those ties can be made out of Pennsylvania hardwood; and that rail can be made out of Pennsylvania steel. And you know, it relieves part of the congestion on the interstate highways, and it may eliminate some of the need for some.

Additionally, a project that is also close to you—and we have spoken about it before—is the increased funding for the network of small airports in Pennsylvania, the intrastate airport travel system, which would generate dollars for construction and generate dollars for ongoing operations.

Congress may have a problem with public service projects; I do not. The construction of a building, whether it is for public use or whether it is a private building, requires the same electrical schematics as it does for the private building. The sewage requires the same abilities to build the dormitory behind you as it takes to build one Mellon Center.

In times of high employment, I believe that JTPA should be amended to index our ability to become involved in public service when our employment rises above a certain threshold.

I guess that that is a long way around the answer, but I do not think that JTPA can stand low; JTPA is an integral part of economic development, and must stand with economic development.

Mr. KOLTER. Ron, have you noticed any reflection in the changes of level of funding from the Department of Labor in Washington to Harrisburg to you over the last several years? Has there been a change in the level? Has there been a lessening? I do not recall, quite frankly; perhaps you may know.

Mr. PAINTER. I lose about 12 percent a year because my unemployment numbers—Tri-County represents a diverse district, from southern Butler County, which you are familiar with, close to the development in Pittsburgh, to Indiana County. So I lose in appropriations about 12 percent a year out of my main title funding because, again, when the formula is driven by the unemployment numbers, Pennsylvania loses, compared nationally to Texas, to California, to——

Mr. KOLTER. Florida.

Mr. PAINTER [continuing]. Oklahoma. We have shown net gains of as much as 25 percent in Job Training Partnership funding, whereas the Commonwealth continues to lose, even though we have pockets of very stubborn unemployment.

Mr. KOLTER. Listen, I want to thank you, Ron. Before you go, I want to tell you about a very important news conference held this morning at Carnegie-Mellon, I believe. They announced the formation of a corporation for profit to proceed with high-speed rail magnetic levitation. The Kolter dream is now a reality because we do have a corporation consisting of Carnegie-Mellon University, Westinghouse, DuQuesne Light, and maybe a dozen other firms who have decided to pool their resources and make this a reality. We are talking about going from here to Pittsburgh to Philadelphia in less than two hours; we are talking about eventually going to Erie—in fact, the station stop will be in New Castle in our congressional district. So, things are looking up, and I would say by the year 2000, 2005, you will see the whole economy of Pennsylvania changing because of high-speed rail.

Mr. **Painter**. Thank you.

Mr. **Kolter**. So, again, thank you very kindly, Ron.

Mr. **Painter**. Thank you, Congressman.

Mr. **Kolter**. You are welcome.

[Mr. Painter's prepared statement follows:]

Testimony to the House Public Works and Transportation Committees

Subcommittee on Economic Development

February 23, 1990

Testimony Of:

Ronald D. Painter, Chief Administrative Officer
Tri-County Private Industry Council, Inc.
Building #4, 717 Morton Avenue
Butler, Pennsylvania 16001-3394
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Hearing Held:

February 23, 1990

Indiana University of Pennsylvania

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Chairman Savage, members of the House Subcommittee on Economic Development, I am Ronald D. Painter, Chief Administrative Officer of the Tri-County Private Industry Council, Inc. Tri-County Private Industry Council and its affiliate, Tri-County Manpower Administration, operates the Job Training Partnership Act program for the Counties of Butler, Armstrong and Indiana, funded by the Department of Labor and Industry as regulated by the State Department of Labor and Industry. Under partnership between the Boards of Commissioners, Chaired by James A. Green, Commissioner - Butler, and a twenty-one (21) member volunteer Private Industry Council, whose President is Mr. Warren Capenos (a list of members is attached hereto), the 4.5 million dollar program delivers job training services to the economically disadvantaged, educationally disadvantaged and the economically dislocated persons. Two of the programs emphasized by Tri-County Private Industry Council, on-the-job training (OJT) and employment generating services, are the subjects of my presentation.

Tri-County operates an OJT program that represents roughly sixty-four (64%) percent of its Title II-A, Public Law 97-300, training allocation. Tri-County's on-the-job training (OJT) program reimburses area employers fifty (50%) percent of a participant's wages for a period of time as determined by the Dictionary of Occupational Titles published by the Department of Labor, to offset the extraordinary cost of training a new employee. This reimbursement is an inducement for employers to hire the less skilled by compensating the employer for lost productivity from these unskilled workers. As we approach the year 2000, labor demographics make clear the vital need for a trained work force. Those companies who utilize OJT for entry into new market areas for the company provide a valuable service to the U.S. economy by their willingness to invest in the under skilled.

Through January of 1990, Tri-County's reimbursements to area employers has totaled over eight hundred seventy thousand dollars ($870,000). The tax revenues realized from that portion of wages not JTPA reimbursed amounts to over one hundred fifty thousand dollars

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($150,000) this fiscal year alone. The resulting reduction in welfare benefits, industrial jobs saved through a company's use of OJT funds in new hirings, and the secondary and tertiary effects of wages in the economy, make the impact to the area substantial. Currently the retention rate of participants in their OJT positions is over seventy (70%) percent. Despite these obvious benefits, OJT programs continue to come under unwarranted Office of Inspector General attacks.

This Private Industry Council, in partnership with the County Commissioners, continues to believe that an on-the-job training program is an important component of any jobs program. OJT provides the participants rapid entry into the labor force, thereby enabling them to be an asset to the community. OJT provides employers an incentive to hire the unskilled and to stay in Pennsylvania. It perhaps encourages expansion by shouldering some of the economic burden of risk.

On-the-job training can only be meaningful when the employment opportunities of a geographic area encourage business investment and migration in. That is why this Private Industry Council has invested nearly four hundred thousand dollars ($400,000) into employment generating activities. Through the Council's active partnership with the Community Development Corporation of Butler County, the Middle Armstrong County Area Development Organization, the Partners for Armstrong County's Economy, the Armstrong County Industrial Development Council, the Indiana County Chamber of Commerce and the Indiana County Industrial Development Agency, it has demonstrated its commitment to furthering the rebirth of the tri-county economy. This Council believes very strongly that JTPA has a rightful place in the economic development plan of our area. By assisting new and expanding businesses with on-the-job training and support of the above agencies, Tri-County encourages a growing economy.

It is ironic that the employment generating activities are currently the area targeted for elimination in the proposed amendments to JTPA. Should the amendments stand, the one hundred twenty thousand dollars ($120,000) used to support economic growth will be unavailable to an area hard hit by a changing steel industry and a collapsing Pennsylvania coal industry. At a time when we need all the tools we can muster to construct a stable local economy, some members of Congress are attempting to take away vital dollars.

In my opinion, training, retraining and local economic development efforts are not enough to reverse the decline of the northeast and western Pennsylvania, in particular. There are, I believe, three (3) action items that warrant Congressional scrutiny.

First, the ties between the Community Development Block Grant program through Housing and Urban Development and the Job Training Partnership Act need strengthened. While HUD encourges the utilization of JTPA clients by allowing such participation to satisfy low / moderate income hirings, more could be done to insist on the utilization of JTPA eligible participants in construction projects under Community Development Block Grant programs. While it may be difficult under Davis-Bacon guidelines, it is not impossible.

Secondly, Congress should adopt amendments that permit public service employment as is now allowable under Title III in extenuating circumstances, when the unemployment rate of a labor-market area goes beyond an established threshold. Particular attention needs to be focused on the construction, and in many cities the reconstruction of infrastructure. Archaic public water and sewage systems are not an inducement for, neither is the lack of any public water and sewage inducement for expansion or migration in. Such projects could serve the three-fold purpose of: (a) providing employment and skill training to under employed and unemployed work force participants, (b) providing badly needed public improvements, and (c) by coordination with existing federal involvement in union apprenticeship programs to insure skilled, entry-level craft employees.

This federal support is sorely needed for western Pennsylvania to compete nationally and internationally.

Thirdly, I urge the consideration of either the high-speed rail line linking Pittsburgh and Philadelphia with the eastern seaboard and points west of Pennsylvania, or a commitment to developing Pennsylvania's intra-State airport transportation system. The high-speed rail line would need steel rails for part of its journey and rail ties for its bedding, steel rails that might be Pennsylvania produced and hardwood from central Pennsylvania for the ties. Air travel produces thousands of employment opportunities in construction of larger air fields as well as their ongoing operations.

In conclusion, let me take this opportunity to thank you for allowing me to testify; to Congressman Kolter and his staff for inviting me to testify and their always generous support of JTPA; to Congress in general for its increased funding of the Economically Displaced Worker Adjustment Assistance Act; and the recognition of the need to put our most productive workers back to work with new and better skills; and finally for your consideration of the testimony from today's hearing.

ATTACHMENT

TRI-COUNTY PRIVATE INDUSTRY COUNCIL, INC.

PRIVATE SECTOR

Warren Capenos; PIC PRESIDENT
K-Mart Corporation
415 Edgewood Drive (home)
Sarver, PA 16055 Ph: [redacted]
Appointed: 07/87 - 3 Years

James Wiley, Land Manager; PIC VICE PRESIDENT
Rochester & Pittsburgh Coal Company
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Appointed: 08/87 - 3 Years

Kent Bowen; PIC TREASURER
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Appointed: 08/88 - 3 Years

Donald Stahr, President
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Appointed: 01/90 - 3 Years

Kenneth Watt
Watt Insurance Agency
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Appointed: 01/90 - 3 Years

Larry Boggs, Supervisor, Personnel Develop.
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Carson Greene, Jr., Division Manager
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Appointed: 09/89 - 3 Years

Bryce Wallace, Commercial Loan Officer
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Appointed: 03/89 - 3 Years

William Barrett, Regional Vice President
First Seneca Bank
P. O. Box 148
Freeport, PA 16229 Ph: 295-2170
Appointed: 01/90 - 3 Years

EDUCATION

Dr. Thomas Carey, Executive Director
ARIN Intermediate Unit 28
R.D. 1, Box 175
Shelocta, PA 15774 Ph: 354-3111
Appointed: 08/88 - 3 Years

Thomas O'Brien, Director
Center for Vocational Personnel Preparation
Indiana University of Pennsylvania
Reschini House
Indiana, PA 15705 Ph: 357-4434
Appointed: 04/89 - 3 Years

ECONOMIC DEVELOPMENT

George Howley, Executive Director; PIC ASST. SECY/TREAS
Community Development Corp. of Butler Co.
P. O. Box 1082
Butler, PA 16003-1082 Ph: 283-1961
Appointed: 09/88 - 3 Years

PUBLIC WELFARE

Barbara Cross, Executive Director
Butler County Board of Assistance
P. O. Box 1590
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Appointed: 09/87 - 3 Years

EMPLOYMENT SERVICE

Maurice Nates, Manager
Office of Employment Security
431 North Grant Avenue
Kittanning, PA 16201 Ph: 548-5693
Appointed 08/86 - 3 Years

VOCATIONAL REHABILITATION

Randell Brown, Regional Director; PIC SECRETARY
Bureau of Vocational Rehabilitation
P. O. Box 349
New Castle, PA 16101 Ph: 656-3070
Appointed: 08/86 - 3 Years

COMMUNITY-BASED ORGANIZATION

Linda Harvey, Acting Director
Butler County Chamber of Commerce
P. O. Box 1082
Butler, PA 16003-1082 Ph: 283-2222
Appointed: 02/89 - 2 Years, 7 Months

ORGANIZED LABOR

Vera Russell, President
Indiana County Central Labor Council
R.D. 4, Box 209 Home: (412) 468-2216
Greensburg, PA 15601 Ph: (814) 335-7655
Appointed: 11/87 - 2 Years, 9 Months

AT LARGE

George Crock (Retired)
(Robertshaw Controls)
275 North 12th Street (home)
Indiana, PA 15701 Ph: 463-8828

Mr. **Kolter**. Well, the last panel, I believe, is Mary Ellen Currie, Case Manager for the Homeless of Butler County at the Catholic Charities of the Diocese of Pittsburgh, Inc. and a friend of Peggy de Mucci.

STATEMENT OF MARY ELLEN CURRIE, CASE MANAGER FOR THE HOMELESS OF BUTLER COUNTY, CATHOLIC CHARITIES OF THE DIOCESE OF PITTSBURGH, INC.

Ms. **Currie**. That explains why I am the only woman that got up here today.

It is a privilege, Congressman Kolter, to be here. My name is Mary Ellen Currie. I do not think that we have ever formally met, although I have been at a lot of places where you have been; you have always been in a hurry to go somewhere else.

Mr. **Kolter**. Well, you know, when you represent six counties, you cannot stay long in one county.

Ms. **Currie**. I can imagine.

I work with the homeless in Butler County. I am employed at Catholic Charities of the Diocese of Pittsburgh. I have been working with the homeless and near-homeless for about two years.

I have learned a lot since I have started working with them because basically I lived what we would consider a sheltered life. I had no idea that people live in the conditions of poverty that they live in.

I am confident that I have covered most of the major conflicts that my clients deal with in my written testimony, so I do not want to belabor those issues. But I will ask you to use your imagination, and imagine, if you will, that you are a 27-year-old man; you have a pregnant wife and a three-year-old son who has been sickly; you work at a minimum wage part-time job; you live in an apartment that has very little heat, and the paint is peeling off the walls, and you have broken doors and windows. You think about your wife and your son at home, and you wonder if the paycheck that you are going to get that day will cover some of the bills that you have or put some groceries that you need into the refrigerator. You do not have transportation, so you are forced to walk two miles to work on a busy highway that is dangerous. You wear tennis shoes that have holes in them and a winter jacket that is about three years old, and you have long since outgrown it, but you cannot afford to replace it. You wonder if you will ever see a day when you have enough money that will cover the expenses that you have, just covering life's basic necessities. You are hard on yourself because just covering life's basic necessities is like wishing you had won a million dollars in the lottery. These are the realities and the conflicts that my clients deal with on a daily basis.

I am not sure if any of us could live the type of life these people live without feeling the same feelings of despair, discouragement and depression. Fortunately, none of us are forced to live like that. We are lucky enough that we can afford life's basic necessities as well as luxuries. God willing, none of us or any of our family members will ever know what it is like to not have enough food to eat or enough heat to keep warm.

But fortunately, you can help change these realities. You have the power to make a difference. Please, will you not help to create some opportunities for my clients, because I truly believe that is all a lot of them need is just some opportunity.

Thank you for allowing me the privilege to come here today. It has really been an honor.

Mr. Kolter. Well, Ms. Currie, thank you for driving over here to Indiana County from Butler. What you talk about I have seen 100 times or more in my home, Beaver County. Beaver County was known as the number two steel county of the world at one time; a lot of production and big-paying jobs. And those years between 1981 and 1982, we were finding broken homes, parents splitting up, or parents living in automobiles and their children being sent out to homes of more affluent relatives or perhaps even neighbors. And I see a line in your statement, "It is my belief that decent, affordable housing should be a right for all people, and not a privilege for a select few." You are so right.

Former Congressman Jack Kemp—he heads HUD now—he talks about enterprise zones, and I think he has something going for himself. He is forwarding to Congress a series of about a dozen or so bills indicating his cure. Unfortunately, we all have a bad taste in our mouths relative to the revelations of how bad it was under the Reagan years, where if you were wealthy and had a lot of friends, you could get housing and make tons of money by knowing the right people. It has been an embarrassment to the Bush administration; it has been an embarrassment to Representative Kemp. And a number of changes are being made; I think, changes for the good. I think we have a President in Mr. Bush who really wants to have a kinder, more gentler nation. I think he really does. And I think that the experience that we have seen so far in our President, we have a more comfortable feeling with him than we had with Mr. Reagan, believe me.

And I think good is going to happen, but because of people like you who are not afraid to speak out on things. And again, even though you did not read your testimony, all the testimony that we receive today is a matter of public record. It will be sent to Washington with the recording here, and it will be on record there. And we are hoping that with this testimony, as with the others, that we here today will in a few short years see a kinder, better Fourth Congressional District. Lord knows, we are trying.

I mentioned a little while ago that we are going to change the economy of Pennsylvania with high-speed rail, magnetic levitation. We have a number of highway projects. As was mentioned, I have been working on legislation to make a four-lane highway between Indiana County and Blairsville on Route 119. We are waiting for some figures to go ahead with this program. Hopefully, it will be approved.

We have a by-pass which—again, these are all creating jobs here—to protect Ligonier. We have in Beaver County and Butler County, Crows Run, which is going to provide job opportunities once this highway is constructed. Last week, I was here in Indiana County, presenting the county with a million dollars that I got, working with Senator Heinz's sector and the rest of the delegation from Pennsylvania, working hard for the people here. We are going to provide jobs here. Indian Haven. We did the same thing in other counties.

We have quite a bit of money set aside for the airports. It was mentioned earlier that I worked with Allegheny County commissioners in providing funds for the international airport because I am on the Aviation subcommittee, and I can represent their views on our committee. It is surprising that over half the jobs from US Air, come from my congressional district, even though the airport is mostly in Allegheny County.

So, you see, all types of things are making changes here; we have a lot of changes going on. But it is going to be very slow.

This morning I had an opportunity, while waiting for the Chairman to arrive by plane, to talk with Sam Zaffuta's senior class who was here early. They were talking about some changes taking effect.

I was a very young man on the Council in New Brighton—I think I was 21 or 22 years of age when I thought that we ought to have a new bridge over the Beaver River between New Brighton and Beaver Falls. I started working with the city fathers of Beaver Falls, and we fought and we argued. We went from that level to the legislative level. I became a legislator. I kept pushing it. And many years later, I became a grandfather with five or six grandchildren, grey hair, what is left of it. We finally have a bridge over the river. But, you see, it takes time. We just cannot push that button.

All of these things take time; but now is the time to start talking about them, like you are doing. And the message is going to get across to our colleagues in Washington.

Ms. CURRIE. I agree with you that it takes time. But I think that jobs that you get through building roads and bridges is great. But when my people really cannot get public transportation from one end of the county to another, you know, something is wrong.

Mr. KOLTER. You are absolutely correct.

Ms. CURRIE. And it is going to have to be addressed throughout the county.

Mr. KOLTER. You are absolutely correct. It has to be addressed, I think, all over the nation. What we have here is just an example of what is going on all over the nation. We need assistance in these areas.

Unfortunately, as mentioned by one of the witnesses today the thing here is that we cannot spend any more money on new projects but we know that there is a necessity sometimes to do so. I think this is an area we have to review. We have to give people this opportunity to travel where they can, and it cannot be done unless we have Government help.

And I think it is going to be coming. Again, I am glad that we have an Administration that is working more closely with Congress than other Administrations have in the past. And I think a good result is going to be felt here in a few years; perhaps even as early as this year.

The thing here is, we cannot give up. You cannot go to your beauty parlor and complain; you cannot go to your barber shop and complain. The best thing to do is call your Congressman, call your State legislator, and give him your thoughts. Instead of complaining about it, give us what is in your heart and in your mind so we can reflect on that and take it back with us to our respective areas. And that is how we get good things done for people.

There is a county commissioner here who does a tremendous job for the people of Indiana County. It is important that she hears what is going on because she plays a major role in everything we do here. I noticed at noontime today, we had other commissioners from other counties who broke bread with us, and I was just delighted to see all those people here this afternoon.

So, thank you, Mrs. Currie, for your information. And again, as I said earlier, this will be reported on in Washington.

In closing, I want to thank everybody who testified today. Those of you who have been here all day long, I know it has been a long, arduous day; but it is worthwhile. And any time you have something you want to talk about, let me remind you that you talk to your elected officials at the local level, the county level, the State level and the Federal level, because we want to hear from you. That is how we get good results.

Dr. Stacy, I want to thank you for your assistance today. You and IUP have been marvelous to this committee today. Dr. Welty has been marvelous. We thank you for your generosities and your kindness.

With that I thank my committee. Thank you very much. Meeting is closed.

[Whereupon, at 2:51 p.m., the subcommittee was adjourned.]

[Ms. Currie's prepared statement follows:]

SUB-COMMITTEE ON ECONOMIC DEVELOPMENT
OF THE COMMITTEE OF PUBLIC WORKS AND TRANSPORTATION
OF THE UNITED STATES HOUSE OF REPRESENTATIVES

MARY ELLEN CURRIE
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Chairman Savage and Members of the House Sub-Committee

My name is Mary Ellen Currie, Case Manager for the Homeless of Butler County employed by Catholic Charities of the Diocese of Pittsburgh,Inc. It is my work with the poor, unemployed and underemployed people that has allowed me the opportunity to see what economic development or lack of it means from a Human Services stand point. I would like to address four (4) major issues that I feel the Economic Development Administration needs to take a good hard look at. It is through you as a committee becoming sensitive to these issues that my clients can succeed and become productive in their lives. The four (4) areas that I will address are:

1. Employment
2. Transportation
3. Housing
4. Health Care

Butler County's employment picture from my view point is rocky at best. The problem is not that our County doesn't have jobs for individuals, but instead, the jobs available to our residents are jobs which pay low wages and provide no medical benefits. The flip side to this issue is transportation. The majority of my clients do not own cars. They rely on walking, bumming rides or if the travel is within certain boundaries riding "The Bus" (Butler's limited Mass Transit vehicle). The sad reality is that even if there was high paying, secure jobs in certain areas of the County, my clients couldn't get to them. In fact, Cranberry (an area of southern Butler) is thriving with growth. The employment picture in this area of the County is a definite improvement when compared to the downtown area where the majority of my clients live. I'm not suggesting that there are tremendous wages being offered to workers in this and other areas of the County, but I must admit that the pay in Cranberry is anywhere from $.50 to $1.00 per hour better when compared to a similar job being offered in and around the downtown area.

The problem is how can my clients get to these jobs? I'm sure that if I could get even half of them to the growth areas of the County, they would have some of the necessary skills to secure employment. It is unbelievable that in the 1990's we still haven't given the priority to the mass transit issue.

The mass transit issue is the biggest hurdle for my clients to overcome. I know that quality roads, safe bridges and other issues surrounding transportation are important to the community as a whole. I'm a taxpayer and I think these issues are quality issues. However, I'm also a humanitarian who believes that we must help our neighbors. I know that if Butler County could obtain a mass transit system, we could help these individuals secure jobs, become productive, and realize their potential. It is my hope that this Sub-Committee will try to understand and be sympathic to the plight of my clients. If there is any help or assistance that is in your power to give to these economically disadvantaged people, then I implore you to do so!!!

The issue of available low-income housing seems to be one of the hottest issues nationwide. Butler County, as in the surrounding counties, is suffering from the shortage of clean, adequate, affordable housing. The recent cuts in the funding of low-income housing has affected all economically disadvantaged individuals. The majority of my clients are spending 50% and over of their income to meet housing needs. The waiting list in Butler County for Section 8 Housing is up to three (3) years long and would be even greater but the Housing Authority quit accepting applications approximately a year ago. It is my belief that decent, affordable housing should be a right for all people not a privilege for a select few.

It cannot be expected of my clients to find employment and maintain a job when the units they live in are infested with rodents, have little or no heat, virtually no running water (especially hot water), as well as broken windows and doors. The landlords who own these units have literally let them go. However, they continue to increase the monthly rent with disregard to the deplorable conditions that the renters are forced to live in! The sad reality is that when one family moves out there's three (3) more families waiting to move in. I guess they feel that having a roof over their families heads and four (4) walls surrounding them is better then living on the streets. The housing issue is a depressing as well as complex issue. I'm not sure we will ever solve homelessness in the United States. I know that there are a small percentage of people that if given a choice would opt to stay on the street. These people are drifters (some mentally ill) who do not want to be held accountable to anyone! If living on the streets is their choice, then so be it. However, the majority of my clients are single women with children who want to have adequate, affordable housing for them and their families. Their lack of education and training make it impossible for them to secure "good" jobs that would enable them to afford the cost of living. If my clients didn't have to spend the majority of their time worrying about where they were going to stay for the night or how they are going to pay next months rent, then they could concentrate on improving themselves by getting into a technical school, going back to college, improving their basic life skills, and the list goes on and on. I'm committed to fighting this injustice. I wish everyone was.... but that's too unrealistic!!!! I just hope that all of you serving on this Sub-Committee are as committed as I am because it's individuals like you that can make a difference!!!

The health care issue is not limited to my economically disadvantaged clients. It is a problem for all of us, but for my unemployed, underemployed, and Public Assistance clients this issue is almost insurmountable. Most of my clients in need of health care go to the emergency room of the hospital as opposed to a family doctor. In fact, most don't have a family doctor because most doctors will not set up payment plans (they want cash up-front). The majority do not accept Medical Assistance cards. In fact, until recently, pre-natal health care did not exist for Medicaid moms in Butler County. The OB-GYNS in Butler refused to provide pre-natal care to any woman using a Medical Assistance card. These unfortunate women were transported to a hospital/clinic in Allegheny County to have their medical needs met. The reason given by the OB-GYNS in Butler County is the low reimbursement rate by the state. Eventually the pre-natal issue snowballed. The media attention given to this issue by some of the bigger Allegheny County newspapers caused Mr. John White, Secretary of Pennsylvania Department of Public Welfare,to become involved. It was through his efforts and the pressure of local hospital administrators that OB-GYNS who practiced at Butler Memorial Hospital agreed to see these women. I'm inclined to think that although the issue of Medicaid moms being seen in Butler is resolved, the quality, consistency, as well as expediency of care has not been addressed.

I have good reasons to be skeptical, but they are much too lengthy and would greatly limit the issue of health care. After all, it is not only pregnant women who suffer from lack of health care, but instead all of my economically disadvantaged clients. Providing health care benefits should be viewed not as "just another expense that we shouldn't have to pay out", but instead with a more positive frame of mind. If we give needed medical attention to disadvantaged adults and children then we will be a more healthy society as a whole.

The programs that have originated out of the need to address health care issues i.e. W.I.C., Healthy Beginnings, etc. have been very effective programs. In fact for every one dollar in prevention services, three dollars in medical cost have been saved. But what about the underemployed and the unemployed that fall through "the cracks"? They make just over the income guidelines to get help from agencies but are barely able to keep their heads "above water" alone.

Health care issues can not be solved over night, but I am convinced that through the initiating of new programs, we can overcome this sometimes life threatening obstacle. I am asking this Sub-Committee to face this issue head on and help search for effective solutions.

There is no simple answer to wiping out poverty; in reality we never will. What I am suggesting is that steps can be taken to alleviate the many problems that plague the economically poor in Butler. Butler County has slowly been getting back on its feet. We are headed in the right direction. The economic slump which has plagued our county has caused each of us to re-examine our goals and objectives as a community. We have become determined to spring back from our set backs with a new and brighter outlook. The promise and hope the economic development can bring to us as a community is a tremendous boost. From a Social Service standpoint, economic development means that there will be businesses brought to Butler which will decrease the unemployment rate and Welfare lines. Mass transportation would enhance job opportunities. Perhaps there would be more interest by trained doctors to move into the County and take care of the underprivileged and housing units which once stood old and decrepit will be brought back to life by their owners. Many positive changes could be realized with your help. My clients are depending on me to see them through these tough times and I'm depending on each of you to help.

Please join me in my commitment to help enhance the quality of life for not only my clients but for all the people of Butler County.

Thank you for your time and understanding.

ADDITION TO THE RECORD

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA TURNPIKE COMMISSION
HARRISBURG 17105

LOUIS R. MARTIN
EXECUTIVE DIRECTOR

March 7, 1990

The Honorable Gus Savage
Chairman, Economic Development Subcommittee
House Committee on Public Works and
 Transportation
B376 Rayburn House Office Building
Washington, D. C.   20515

Dear Mr. Chairman:

Enclosed is testimony the Pennsylvania Turnpike Commission would like to submit in conjunction with the February 23rd hearing of the Subcommittee on Economic Development in Western Pennsylvania, held in Indiana, Pennsylvania.

I would appreciate your including this testimony as part of the hearing record.

Thank you.

Very truly yours,

LOUIS R. MARTIN
Executive Director

LRM:gbe
Enclosure

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA TURNPIKE COMMISSION
HARRISBURG 17105

Testimony of the Pennsylvania Turnpike Commission
on the Mon Valley Expressway Project

House Committee on Public Works
Subcommittee on Economic Development

Hearing on Western Pennsylvania Economic Distress

Mr. Chairman, the Mon Valley has long been one of the foundations for economic strength within Western Pennsylvania. But, as today's testimony has shown, the Valley has encountered a significant downturn in its economic situation, due to a decline in its traditional industries. Unemployment rates for the region are currently much higher than national and statewide averages for Pennsylvania, per capita income is low, and jobs are scarce for young employees entering the workforce. As you know, these problems are common throughout Appalachia.

Through the recent two decades of economic expansion in the United States, both private industry and public agencies have recognized the value of transportation to the economy of a region. Adequate transportation facilities contribute to the economic advantage of an area. The greater that advantage, the more likely economic development will occur in the form of new jobs, higher wages, and an expanded tax base to support essential services.

In keeping with this theory, the Governor of Pennsylvania's Toll Roads Task Force identified the Mon Valley Expressway as a project that would provide the transportation system necessary for the Mon Valley to recover economically. In 1987, the Governor chose the Mon Valley Expressway as Pennsylvania's Designated Toll Road Demonstration Project as provided for in the Surface Transportation Act. Located generally along the Monongahela River in southwestern Pennsylvania/northern West Virginia, the Mon Valley Expressway will provide a limited access link between I-376 in Pittsburgh through the Mon Valley to Uniontown and on to U. S. Route 48 east of Morgantown, West Virginia.

An improved transportation system is the missing factor in Southwestern Pennsylvania's economic development. The Mon Valley currently has a vastly underdeveloped arterial highway network; its locational advantage near Pittsburgh and other economic centers is not being realized due to the Valley's isolation. While east-west access through the Valley is good, existing networks of two- and four-lane facilities provide inadequate north-south access through the region. This north-south access is especially important in linking Valley communities to major cities such as Philadelphia, Baltimore-Washington, Chicago, Indianapolis, Cleveland and New York City.

The Mon Valley Expressway project is intended to primarily address the economic development needs of the area between Uniontown and Morgantown, as well as meet the growing traffic needs of the Pittsburgh area. Involved in the cooperative planning effort are the Pennsylvania Turnpike Commission, the West Virginia Department of Highways, PennDOT, and the Federal Highway Administration. Preliminary engineering of the southernmost portion of the Expressway -- from Uniontown to Morgantown -- is already underway and on "fast track" status, thanks to an historic agreement the Pennsylvania Turnpike Commission, PennDOT and the State of West Virginia reached last year.

Although the Commonwealth of Pennsylvania and the Pennsylvania Turnpike Commission have allocated significant resources, the Turnpike Commission will seek Appalachian Regional Commission funds to help complete the entire project. The ARC is an appropriate source for this funding, as Pennsylvania has the largest Appalachian population and the highest number of highway corridor miles eligible for construction under the ARC.

Mr. Chairman, the Pennsylvania Turnpike Commission shares the concern -- and hope -- expressed today for Western Pennsylvania economic development. Abundant natural resources, rich industrial heritage, competetive energy costs and an available workforce offer great promise for new activity and greater tourism in the region. With increased highway access, the region can capitalize on this potential.

We look forward to working with the Congress and the Appalachian Regional Commission toward this goal.

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